

To: Members of the Corporate  
Governance Committee

Date: 24 June 2014

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Dear Councillor

You are invited to attend a meeting of the **CORPORATE GOVERNANCE COMMITTEE** to be held at **9.30 am** on **WEDNESDAY, 2 JULY 2014** in **CONFERENCE ROOM 1A, COUNTY HALL, RUTHIN.**

Yours sincerely

G. Williams  
Head of Legal and Democratic Services

## AGENDA

### PART 1 - THE PRESS AND PUBLIC ARE INVITED TO ATTEND THIS PART OF THE MEETING

#### 1 APOLOGIES

#### 2 DECLARATION OF INTERESTS

Members to declare any personal or prejudicial interests in any business identified to be considered at this meeting.

#### 3 URGENT MATTERS

Notice of items, which in the opinion of the Chair should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act 1972.

- 4 MINUTES** (Pages 5 - 14)  
To receive the minutes of the Corporate Governance Committee meeting held on the 21<sup>st</sup> May, 2014.
- 5 BUDGET PROCESS 2015/16** (Pages 15 - 18)  
To consider a report and confidential appendix by the Head of Finance and Assets (copy enclosed) which provides an update on the process to deliver the Revenue Budget 2015/16.
- 6 DRAFT STATEMENT OF ACCOUNTS** (Pages 19 - 20)  
To consider a report by the Head of Finance and Assets (copy enclosed) on the Statement of Accounts (copy to follow).
- 7 WAO ANNUAL IMPROVEMENT REPORT - 2013/14** (Pages 21 - 58)  
To consider a report by the Head of Business, Improvement and Modernisation (copy enclosed) on the annual assessment of the Council's prospects for improvement, undertaken by the Wales Audit Office.
- 8 CORPORATE RISK REGISTER REVIEW** (Pages 59 - 74)  
To consider a report by the Head of Business, Improvement and Modernisation (copy enclosed) which provided the latest version of the Corporate Risk Register, as agreed at Cabinet Briefing.
- 9 GOVERNANCE IMPROVEMENT PLAN** (Pages 75 - 86)  
To consider a report by the Head of Internal Audit (copy enclosed) which provided an update in respect of the Governance Improvement Plan.
- 10 BLESSED EDWARD JONES RC HIGH SCHOOL - UPDATE** (Pages 87 - 100)  
To consider a report by the Head of Internal Audit (copy enclosed) which provided an update in respect of Blessed Edward Jones RC High School.
- 11 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME** (Pages 101 - 106)  
To consider the committee's forward work programme (copy enclosed).

## **MEMBERSHIP**

### **Councillors**

Joan Butterfield  
Stuart Davies  
Peter Duffy

Martyn Holland  
Gwyneth Kensler  
Jason McLellan

### **Lay Member**

Paul Whitham

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## **CORPORATE GOVERNANCE COMMITTEE**

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 21 May 2014 at 9.30 am.

### **PRESENT**

Councillors Joan Butterfield, Peter Duffy, Martyn Holland, Gwyneth Kensler (Vice-Chair) and Jason McLellan (Chair) and Mr P. Whitham (Lay Member).  
Councillors M.Ll. Davies and J. Thompson-Hill attended as observers.

### **ALSO PRESENT**

Head of Legal and Democratic Services (GW), Head of Internal Audit (IB), Head of Business, Planning and Performance (AS), Chief Accountant (RW), Property Manager (DL), Facilities and Maintenance Team Manager (IT), Wales Audit Office Representatives (AV and GB) and Committee Administrator (CIW).

#### **1 APPOINTMENT OF CHAIR**

***RESOLVED** – that Councillor J.M. McLellan be appointed Chair of the Corporate Governance Committee for the ensuing year.*

#### **2 APPOINTMENT OF VICE CHAIR**

***RESOLVED** – that Councillor M.L. Holland be appointed Vice Chair of the Corporate Governance Committee for the ensuing year.*

#### **3 APOLOGIES**

Apologies for absence were received from Councillors Stuart Davies

#### **4 DECLARATION OF INTERESTS**

No Members declared any personal or prejudicial interests in any business identified to be considered at the meeting.

#### **5 URGENT MATTERS**

No items were raised which in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act, 1972.

#### **6 MINUTES**

The Minutes of a meeting of the Corporate Governance Committee held on 15<sup>th</sup> April, 2014.

Accuracy:- It was noted that Mr P. Whitham, Lay Member had been in attendance at the Corporate Governance Committee meeting held on the 15<sup>th</sup> April, 2014.

Matters arising:-

11. Member Representation on Outside Bodies – In response to a request from Councillor M.L. Holland, the Head of Legal and Democratic Services agreed to circulate copies of documentation relating to a presentation pertaining to Outside Bodies which had been held at Caledfryn, Denbigh.

**RESOLVED** – *that, subject to the above, the minutes be received and approved as a true and correct record.*

## **7 PROCUREMENT REVIEW - SCHOOL BUILDING MAINTENANCE WORKS**

A report by the Wales Audit Office (WAO), on the procurement review of school Buildings Maintenance Works, had been circulated previously.

The WAO representative (WAOR) introduced the report, Appendix 1, which requested consideration of the recommendations and the Council's responses. Members attention was invited to the summary report, page 22, which detailed the purpose of the work undertaken following the receipt of correspondence from a contractor regarding specific issues in relation to procurement arrangements in respect of schools' building maintenance works, and wider elements of procurement specifically relating to construction contracts. The conclusions contained in the report were summarised by the WAOR for the Committee.

During the ensuing discussion the following questions and issues were raised and responses provided:-

- The Property Manager (PM) provided details pertaining to the number of Contractors on the Approved List (AP), the criteria and process for the inclusion of Contractors on the AP, the requirements of the pre-qualification questionnaire and the process for the removal and reinstatement of Contractors to the AP.
- Reference was made to the importance of the receipt of feedback from schools on the standard of work undertaken by contractors, and the possibility of undertaking spot checks to examine work carried out.
- The HLDS provided details of the legal implications in respect of public liabilities, and sanctions which could be imposed, if external Contractors or Council employees contravened or ignored statutory rules and regulations when undertaken work. The need to have procedures in place and to manage them adequately was emphasised. The PM stressed the importance of reporting any breach of rules and regulations, such as Health and Safety Regulations, to ensure that the appropriate sanctions could be imposed and risks eliminated.
- An assurance was provided by the PM that the framework for advertising for Contractors to be included on the Approved List would be reviewed once the disciplines to be covered had been determined.
- The WAOR referred to observations made regarding the need for improvements in quality control procedures, with regard to pricing, and to communication and the assignment, allocation and monitoring of jobs within the

process. Councillor J. Butterfield emphasised the importance of providing support for local communities in Denbighshire when forming the accredited list.

- There having been no evidence of the current use of aggregation was raised by Mr P. Whitham, and the WAOR confirmed that this could present a potential risk to the Council but had not been considered as part of the very specific scope review. Mr Whitham felt that the provision of a time frame for the introduction of a framework would be critical to the respective Contractors.
- Mr Whitham referred to paragraph 25 on page 26 and suggested that reference to “arrangements at a local level for officers to declare, manage and monitor relationships between Council officers and contractors” should also include gifts and hospitality.
- The PM responded to a question from Mr Whitham and confirmed that “with regard to client expectations to have service delivery restored ASAP”, page 26, each request received was treated as reactive works and not as an emergency.
- Confirmation was provided by the PM that preferred contractors requested by respective schools could be utilised if they were on the Approved List.
- Councillor P.C. Duffy expressed concern that estimates and quotations were not required for works under specified sums. The PM explained that the amounts had been specified within the procurement rules.
- The WAOR provided confirmation that the Procurement Review – School Building Maintenance Works Report would be available in Welsh.
- It was explained that the pricing of contracts with a view to securing the services of local contractors would primarily depend on price and quality, best value through volume and the demonstration of sound value for money.
- The HIA and WAOR agreed to liaise and present a joint follow up progress report to the 3<sup>rd</sup> September, 2014 meeting of the Committee, to include details of the Council’s response to the recommendations and details of the implementation dates.

Following further discussion, it was:-

**RESOLVED** – that Corporate Governance Committee:-

- (a) receives the report and notes the recommendations and Council’s responses, and
- (b) agrees that the Head of Internal Audit and Wales Audit Office present a joint report to the 3<sup>rd</sup> September, 2014 meeting of the Committee, to include details of the Council’s response to the recommendations and details of the implementation dates.

## **8 DATA PROTECTION ACT**

A report by the Head of Business, Improvement and Modernisation (HBIM) had been circulated previously.

The HBIM introduced the report which covered the period from April, 2013 to March, 2014 and detailed breaches of the Data Protection Act by the Council which had been subject to investigation by the Senior Information Risk Officer (SIRO). It also covered complaints about the Council relating to Freedom of Information legislation which had been referred to the Information Commissioner, and provided

some information about the Access to Information requests made to the Council. The Council's Data Protection Policy required an annual report on progress to the Corporate Governance Committee to allow Member oversight of the process.

Deficits in the information management system had been a risk for several years and a new approach had been introduced, including the appointment of a Corporate Information Manager and the review of key policies, particularly relating to Data Protection and Access to Information. Following the reviews, the Corporate Information Manager had published a strategic approach to information management in Denbighshire and would report on progress to the Committee on a regular basis.

The HBIM explained that developments had reduced the risks to the Council and the risk score on the Corporate Risk Register had now been reduced. Key to the improvements had been the development of improved training, greater clarity in the use of systems, and rigour in reporting and managing information. Alongside the Data Protection Officer, the Senior Information Risk Owner (SIRO) had an explicit responsibility to ensure that information held by the Council was managed safely, effectively and in accordance with the legislation. The systems designed to ensure that the roles were carried out successfully were dependant on transparency and openness, and it was especially important that Members had an oversight of the process.

The report formed part of the commitments made in the Council's Data Protection and Access to Information policies. The appendices detailed some of the key actions over the year to 31<sup>st</sup> March 2014, focusing on the Data Protection breaches reported to the SIRO (Appendix A). Other information had been included to inform Members: a list of complaints made to the Information Commissioners Office (ICO) about the Council, and the outcome (Appendix B); statistics relating to the receipt of Access to information requests (Appendix C) and a table setting out the disputes handled by the Access to Information Panel and the outcomes (Appendix D).

There had been no major breach of the Data Protection Act by the Council, although some had been considered to be sufficiently serious to report them to the ICO. A common feature had been the poor addressing of letters, so that personal information goes to an unintended recipient. Training and improved checking procedures could help reduce this sort of error, and ultimately, the increasing use of automatic systems would reduce this further. The Council had so far avoided the significant losses of personal information which had befallen many organisations, often incurring significant civil penalties. However, it was the person whose data had been lost or incorrectly disclosed who had suffered the greater hardship. As awareness amongst staff increased and the systems for managing information gradually improved breaches would become more uncommon.

Details of the volume of access to information requests received by the Council had been included in the report. Details of the five most frequent areas of inquiry over the last few months had been included in the report, and Appendix D set out the source of Access to Information requests to the Council by requestor type.



In some instances decisions regarding access to information were challenged by the requestor or there was no agreement internally about whether information held by the Council should be released or not. These cases were reviewed by a Panel; Chaired by the HLDS, and a list of the cases reviewed along with the outcomes had been included in Appendix E.

Mr P. Whitham explained that he was disappointed that issues raised at Access to Information Training in February, such as the management and proactive prevention and reduction of requests received, had not been reflected in the report. The HBIM explained that the report related to activity and avoided the duplication of work undertaken by the Corporate Information Manager, who would be presenting a report to the Committee which would address the issues raised. He provided confirmation that the publication scheme and disclosure log were being progressed. The HLDS outlined the need to ascertain the volume and nature of information which could be made publicly available to respond openly and transparently to requests received from the public.

The HLDS responded to concerns raised and provided details of the Welsh translation service provided by Conwy County Borough Council.

**RESOLVED** – *that Corporate Governance Committee receives and notes the contents of the report.*

## **9 INTERNAL AUDIT ANNUAL REPORT 2013/14**

A report by the Head of Internal Audit (HIA), which detailed the HIA's overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk and control during the year that informs the 'annual governance statement, had been circulated previously.

The Public Sector Internal Audit Standards (PSIAS) required the 'Chief Audit Executive' to deliver an annual internal audit opinion and report which the Council could utilise to inform its governance statement. The Internal Audit Report 2013-14 had been included as Appendix 1 and indicated:-

- that the HIA had provided 'medium assurance' in the overall adequacy and effectiveness of the Council's internal control environment, including its arrangements for governance and risk management;
- there were no qualifications attached to the HIA's 'opinion';
- the level of work that Internal Audit carried out to arrive at this overall 'opinion';
- how Internal Audit complied with the PSIAS; and
- a summary of Internal Audit's good performance during the year.

Following a brief discussion, it was:-

**RESOLVED** – *that Corporate Governance Committee receives and notes the contents of the report.*

## 10 INTERNAL AUDIT ANNUAL ASSURANCE PLAN 2014/15

A report by the Head of Internal Audit (HIA), which provided details of the proposed Internal Audit projects for the year which would allow the HIA to provide an 'opinion' on the adequacy and effectiveness of the Council's framework of governance, risk and control during the year, had been circulated previously.

The Public Sector Internal Audit Standards (PSIAS) required the 'Chief Audit Executive' to develop a risk-based internal audit plan which takes into account the requirement to deliver an annual internal audit opinion and report which the organisation could use to inform its governance statement. The Committee's terms of reference require it to consider Internal Audit's planning strategy.

The Committee had considered and commented on the Internal Audit Strategy 2014-15 at its meeting on the 15 April, 2014. An overview was provided of where IA was likely to spend its time during 2014-15 following its move to the Business Improvement and Modernisation service. At that stage, the HIA was still consulting senior management on a more detailed operational plan. A summary was provided of the Internal Audit Annual Assurance Plan 2014/15, Appendix 1, which included the proposed plan of work and allowed the HIA to provide an overall 'opinion' in the Annual Report for 2014-15. It was confirmed that regular updates on progress with delivery of the Plan would be presented to the Committee.

Members were informed that the HIA had met with all members of CET and SLT to discuss proposed Internal Audit work.

The following responses were provided to questions from Members:-

- The number of days allocated to Affordable Housing and Street Cleansing would be sufficient to identify any inadequacies in service provision in the respective areas. The HIA confirmed that issues relating to performance and good practice would be examined during the scoping process, and the number of days allocated could be adjusted accordingly if necessary.
- Details of the maximum working capacities of Internal Audit Services, in relation to staffing numbers, were provided by the HIA.
- It was explained that governance arrangements in respect of arm's length organisations had not been included in the Plan, but would be included at a future date. The processes for addressing emergency situations which may arise were outlined for the Committee by the HIA.

**RESOLVED** – that Corporate Governance Committee receives and notes the contents of the report.

## 11 DELIVERING GOOD GOVERNANCE AND CONTINUOUS IMPROVEMENT

A report by the Head of Internal Audit (HIA), which provided the final consultation with the Committee on the self-assessment report on the Council's governance and improvement arrangements for 2013/14, had been circulated previously.

The report replaced the Council's Annual Governance Statement, by combining the previous governance self-assessment and corporate self-assessment. It was good practice to consult widely on the self-assessment with Members and senior management and to develop an 'annual governance statement' (AGS) which formed part of the Council's Statement of Accounts. However, there had been some duplication between the self-assessment needed for the AGS and the corporate self-assessment which focused more on continuous improvement. It had therefore been decided to combine the documents to provide an innovative approach which saved resources and provided a joined-up approach to self-assessment within the Council.

The HIA explained that Appendix 1 provided a Draft document "Delivering Good Governance and Continuous Improvement" which was now in its final stages of consultation with Members and senior management. Minor changes had been included and the last quarter's performance figures would be added when finalised. The CEO and Leader would be required to sign the agreed final version by the 30<sup>th</sup> June, 2014 and it would be presented to the Committee with the Statement of Accounts in September, 2014.

Members were informed that the document had been discussed at:-

- Corporate Executive Team on 17<sup>th</sup> March, 2014
- Corporate Governance Committee on 15<sup>th</sup> April, 2014
- Council Briefing on 28<sup>th</sup> April, 2014
- Senior Leadership Team on 1<sup>st</sup> May, 2014

It had also been distributed to Cabinet Members and the WAO for comment.

The HIA made reference to two significant governance issues included in the report which related to procurement of construction services and arm's length organisations, and provided a summary of the information contained in the report.

Mr P. Whitham referred to the WAO report on procurement of school building maintenance and the outcomes of the construction procurement audit. The WOA report had indicated a figure of approximately £0.5m in relation to the procurement directed by the Council to school building maintenance. He explained that the Chief Accountant had provided figures for the current financial year which indicated a figure of £28.4m capital expenditure for construction procurement and £9.3 for revenue totalling £37.7m per annum which was significantly more than the WAO report had indicated which he felt had highlighted a significant governance issue in terms of the work undertaken. Mr Whitham also referred to the adverse report previously received in respect of Strategic HR and the relevant budget issues which provided comparable figures, particular reference being made to the impact of the contract procedure rules on the budget figures provided. He expressed the view that Construction Procurement and Contract Procedures Rules could be viewed and addressed as separate governance issues, and the HIA agreed to liaise with the HFA in respect of this matter.

The HLDS made reference to the work currently being undertaken by the HFA in respect of Procurement issues and CPR's and he confirmed that a report would be

submitted to Cabinet on the 27<sup>th</sup> May, 2014 in respect of this matter. The HIA noted the comments made by Members of the Committee.

In response to concerns expressed by Councillor J. Butterfield that the latest resident survey had highlighted that most people do not feel well-informed about the Council's performance and a range of other issues asked in the survey, the HIA explained that this issue would be addressed and included in the report to be presented to the Committee in September, 2014.

**RESOLVED** – *that Corporate Governance Committee receives the report and notes Members comments.*

## **12 BUDGET PROCESS 2015/16**

A report by the Head of Finance and Assets, which provided an update on the process to deliver the revenue budget for 2015/16, had been circulated previously.

The report offered the Committee an oversight role of the budget process. Since the previous meeting of the Committee, the main activity had been to present a paper on the budget process to Council Briefing on the 28<sup>th</sup> April and to confirm the dates for the member budget workshops. Invites had now been sent to all Members and the details of the July workshops had been included in Table 1 in the report. Freedoms and Flexibilities budget meetings with services, service lead members and CET had all been arranged and the schedule had been included in Table 2 in the report.

The Chief Accountant provided an update on the outcome of the first two Freedom and Flexibilities Service Budget Meetings, which included Adults & Business Services and Business, Improvement & Modernisation. It was explained that the spreadsheet outlining the budget detail and notes of the outcome would be made available in the near future. The Chief Accountant explained that the two Service Budget Meetings had been reviewed at CET and the process had been amended slightly. Confirmation was provided that the table of key Events had remained largely unchanged and an updated version had been provided for the Committee.

The Chief Accountant responded to questions from Members and confirmed that effective management of the Council's budgets and delivery of the agreed budget strategy underpinned activity in all areas, including corporate priorities. The Council would need to deliver savings of approximately £12m over the next two financial years and the process had been considered by CET, SLT, Cabinet Briefing, Council Briefing and the Corporate Governance Committee.

In response to a question from the Chair, the Chief Accountant explained that there would be an overview of the devolution of functions to Town and Community Councils as part of the process, which would be addressed through the individual services.

Mr P. Whitham explained that his attendance at the briefing meetings had been beneficial and it was agreed that he be invited to attend future briefing meetings.

**RESOLVED** – that Corporate Governance Committee receives and notes the report.

### **13 FEEDBACK ON CORPORATE EQUALITY MEETING**

Councillor M.L. Holland explained that the Corporate Equalities Group had not met since the presentation of the previous report to the Corporate Governance Committee.

### **14 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME**

The Corporate Governance Committee's Forward Work Programme (FWP) (previously circulated) was presented for consideration.

The Committee confirmed the Corporate Governance Committee Forward Work Programme, subject to the following amendments:-

#### **2<sup>nd</sup> July, 2014:-**

- Feedback on Corporate Equalities Meeting to be withdrawn.
- Procurement of Construction Services Update to be rescheduled to the 3<sup>rd</sup> September, 2014.
- Report on Arm's Length Companies to be presented by the Head of Internal Audit.
- Wales Audit Office Improvement Report to be included.
- Draft Statement of Accounts 2013/14 to be included.
- Wales Audit Office Fees Letter to be included.

#### **29<sup>th</sup> September, 2014:-**

- Final Statement of Accounts 2013/14 to be included.
- Wales Audit Office Report on the Final Statement of Accounts 2013/14 to be included.

Mr P. Whitham referred to the agreed inclusion of regular reports on the agenda in respect of:-

- Review of Corporate Risk Register.
- Review of Progress on the Corporate Governance Action Plan.
- Information Management Update.
- Treasury Management Report.

The HLDS agreed to liaise with the Chair and Head of Internal Audit regarding the inclusion of the above business items in the Committee's Forward Work Programme. He also agreed to liaise with the Corporate Information Manager in respect of the Information Management report.

The Committee thanked the Chair and Mr Paul Whitham, Lay Member, for the work undertaken with the Committee.

**RESOLVED** – *that, subject to the above, the Committee approves the Forward Work Programme.*

Meeting ended at 12.20 p.m.

**Report To:** Corporate Governance Committee

**Date of Meeting:** 2<sup>nd</sup> July 2014

**Lead Member / Officer:** Councillor Julian Thompson-Hill /Paul McGrady

**Report Author:** Richard Weigh, Chief Accountant

**Title:** Budget Process 2015/16

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**1. What is the report about?**

The report gives an update on the process to deliver the revenue budget for 2015/16.

**2. What is the reason for making this report?**

To provide an update of the latest position.

**3. What are the Recommendations?**

To consider the latest update and comment as appropriate.

**4. Report details**

Since the last meeting, a further update has been provided to Cabinet Briefing and at the time of writing the report, seven Freedoms & Flexibilities budget meetings have taken place. The schedule is shown below:

**Table 2 – Schedule of Freedoms & Flexibilities Service Budget Meetings**

<b>Service</b>	<b>Date</b>
Adults & Business Services – Completed	7 <sup>th</sup> May
Business Improvement & Modernisation – Completed	13 <sup>th</sup> May
Communication, Marketing & Leisure – Completed	22 <sup>nd</sup> May
Children & Family Services	29 <sup>th</sup> May
Legal & Democratic Services	30 <sup>th</sup> May
Housing & Community Development	5 <sup>th</sup> June
Schools, School Improvement, Customers & Education Support	17 <sup>th</sup> June
Strategic HR	25 <sup>th</sup> June
Planning & Public Protection	25 <sup>th</sup> June
Finance & Assets	26 <sup>th</sup> June
Highways & Environment	30 <sup>th</sup> June

At each meeting, a detailed analysis of the service budget was considered and a set of outcomes agreed. An example of the service analysis and outcomes (relating to Adults & Business Services) is enclosed as Appendix 1 and Appendix 2. From the outcomes, a series of detailed information sheets are being produced to highlight the range and timing of potential savings, the impact, risks and suggested consultation requirements. An example is shown

as Appendix 3. The information to be presented to the budget workshops in July will be based on the appendices enclosed. However, the view of the Corporate Governance Committee in respect of the format and detail of the information contained in the appendices is key as it will help inform the process as it continues to develop.

<b>Key Events</b>	<b>Dates</b>	<b>Status</b>
Corporate Governance Committee	15 <sup>th</sup> April 2014	Completed
Council Briefing	28 <sup>th</sup> April	Completed
First Round of Budget Meetings with Services	7 <sup>th</sup> May – 30 <sup>th</sup> June	All meetings arranged – 7 completed
Update to Cabinet Briefing	12 <sup>th</sup> May	Completed
CET Review of Process	19 <sup>th</sup> May	Completed
Update to Corporate Governance Committee	21 <sup>st</sup> May	Completed
Update to Cabinet Briefing	2 <sup>nd</sup> June	Completed
Update to Corporate Governance Committee	2 <sup>nd</sup> July	
Update SLT	3 <sup>rd</sup> July	
Update to Cabinet Briefing	7 <sup>th</sup> July	
First Member Budget Workshop	9 <sup>th</sup> July	Invites Issued
Second Member Budget Workshop	14 <sup>th</sup> July	Invites Issued
Third Member Budget Workshop	30 <sup>th</sup> July	Invites Issued
Update to Corporate Governance Committee	3 <sup>rd</sup> September	
County Council	9 <sup>th</sup> September	
Second Round of Budget Meetings with Services	September/early October	
Update to Cabinet Briefing	22 <sup>nd</sup> September	
Update SLT	2 <sup>nd</sup> October	
Update to Cabinet Briefing	6 <sup>th</sup> October	
Fourth Member Budget Workshop	13 <sup>th</sup> October	Invites Issued
Fifth Member Budget Workshop	20 <sup>th</sup> October	Invites Issued
Update to Cabinet Briefing	3 <sup>rd</sup> November	
Update to Corporate Governance Committee	5 <sup>th</sup> November	
Update to Cabinet Briefing	8 <sup>th</sup> December	
County Council	9 <sup>th</sup> December	
Sixth Member Budget Workshop	12 <sup>th</sup> December	Invites Issued
Update to Corporate Governance Committee	17 <sup>th</sup> December	
County Council	3 <sup>rd</sup> February 2015	

## **5. How does the decision contribute to the Corporate Priorities?**

Effective management of the council's budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities.



**6. What will it cost and how will it affect other services?**

The council needs to deliver savings of approximately £12-£14m over the next two financial years.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?**

An EqIA will be completed for all relevant proposals as the process develops.

**8. What consultations have been carried out with Scrutiny and others?**

The process has been considered by CET, SLT, Cabinet Briefing, Council Briefing and the Corporate Governance Committee.

**9. Chief Finance Officer Statement**

This will be an extremely challenging process with some tough decisions to make along the way. The engagement and support of elected members in the decision making and scrutiny of the process is crucial.

**10. What risks are there and is there anything we can do to reduce them?**

This is the most challenging financial period the council has faced and failure to deliver an effective budget strategy will put further pressure on services in future financial years.

**11. Power to make the Decision**

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs.

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ADULT & BUSINESS SERVICES

Freedoms and Flexibilities Full Service Analysis 2014/15

CODES	Service Component	Approx % resources allocated to component	Gross Budget 2014/15	Income Budget 2014/15	Net Budget 2014/15	Comments	Statutory/Non Statutory	Corporate Priority Yes/No	Statutory Duty so should do but at what level?	Non Statutory Duty therefore flexibility as to whether to do or not. If do at what level?
		%	£	£	£					
<b>SASNEW</b>	<b>ADULT AND BUSINESS SERVICES</b>		<b>44,377,296</b>	<b>-12,238,632</b>	<b>32,138,664</b>					
<b>SAABUS</b>	<b>BUSINESS SERVICES</b>		<b>7,695,626</b>	<b>-1,857,660</b>	<b>5,837,966</b>					
<b>SBU100</b>	<b>STAFFING</b>									
S32001	CONTRACT MANAGEMENT AND REVIEW		600,029	0	600,029	Quality Assurance of independent sector care	S	Y Protection	More	
S32024	FINANCIAL ASSESSMENT OFFICERS		349,269	0	349,269	Charging Policy Income but could be more efficient	S	Y Efficient	Less	Yes
<b>SACJAC</b>	<b>PROVIDER SERVICES</b>									
S20803	MANAGEMENT - RHYL		91,962	0	91,962		N	N		Externalise
S21210	AWELON, RUTHIN		800,120	-345,154	454,966		N	N		Externalise
S21211	CYSGOD Y GAER, CORWEN		675,046	-217,000	458,046		N	N		Externalise
S21212	DOLWEN, DENBIGH		740,829	-331,449	409,380		N	N		Externalise
S21800	RESI, DAY AND ECH MANAGER		52,941	0	52,941		N	N		Externalise
S21802	DAY SERVICES MANAGER		7,305	0	7,305		N	N		Externalise
S21821	GORWEL NEWYDD-EXTRA CARE RHYL		253,338	-118,628	134,710	These are all of the in-house provided care services that are included in the Scrutiny Task & Finish group looking at sustainability and equity issues.	N	N		Externalise
S21822	NANT Y MOR - EXTRA CARE HOUSING, PRESTATYN		215,931	0	215,931		N	N		Externalise
S21823	LLYS AWELON EXTRA CARE HOUSING, RUTHIN		175,587	-53,000	122,587	While not statutory or corporate priority they are very politically and publicly sensitive.	N	N		Externalise
S22221	HAFAN DEG, RHYL		374,544	-12,000	362,544		N	N		Externalise
S22225	DOLWEN DAY CENTRE, DENBIGH		133,088	-2,000	131,088		N	N		Externalise
S24800	MOW		24,644	-13,250	11,394		N	N		Externalise
S44500	24 LLEWELYN ESTATE, DENBIGH		151,553	-39,676	111,877		N	N		Externalise
S54810	MAES Y FELIN DAY CENTRE		42,678	0	42,678		N	N		Externalise
<b>SAEOPS</b>	<b>LD WORK OPPORTUNITIES</b>		<b>898,134</b>	<b>-232,960</b>	<b>665,174</b>		<b>N</b>	<b>N</b>		<b>Externalise</b>
<b>SAACOL</b>	<b>RECEIVERSHIP</b>		<b>119,537</b>	<b>-105,000</b>	<b>14,537</b>	Needs to be self-financing protects vulnerable adults from financial abuse.	N	Y Protection		Same
<b>SAAMAR</b>	<b>WORKFORCE DEV &amp; ADMIN</b>									
SBU400	ADMINISTRATION		794,710	-14,378	780,332	This is the whole admin (secretarial and business support) budget for the Service. Reductions in management capacity mean that any reduction in this will result in higher admin costs and less productivity.	N	Yes Efficient	Less	Same
SBU500	WORKFORCE DEVELOPMENT		625,592	-332,865	292,727	This covers training for internal and external social care services as mandated by WG. Work is ongoing to develop a regional based service that will reduce costs.	S	Y Protect Efficient	Less	Less
<b>SAAMEI</b>	<b>CUSTOMER CONNECTIONS</b>		<b>164,247</b>	<b>-20,000</b>	<b>144,247</b>	Complaints, FOI, Customer Feedback, Policy Development	S	Y Efficient	Same	Same
<b>SAAMIC</b>	<b>MIS/PERFORMANCE MANAGEMENT</b>		<b>404,542</b>	<b>-20,300</b>	<b>384,242</b>	PARIS, Statutory Returns, Pls.	S	Y Efficient	More	More
<b>SADLOC</b>	<b>LOCALITIES</b>		<b>16,149,469</b>	<b>-1,760,408</b>	<b>14,389,061</b>					
SADFCT	FIRST CONTACT TEAM		429,277	-51,126	378,151	Will transform to Single Point of Access for Adults, jointly with Health & 3rd Sector with Intermediate Care Fund (ICF) money leaving greater level of staffing within Children.	S	Y Efficient Protect	More	More
SACJUL	REABLEMENT & REABLERS		812,975	-79,933	733,042	Being restructured alongside Locality Teams	S	Y Efficient Protect	Same	Same
SLN200	LONG TERM STAFFING NORTH		835,828	-160,000	675,828					
S59400	INTAKE STAFFING NORTH		637,396	-63,328	574,068					
SLS200	LONG TERM STAFFING SOUTH		675,454	-3,817	671,637	Being restructured and transformed using ICF money	S	Y Protect	Same	Same
SACSOP	INTAKE STAFFING SOUTH		463,123	-52,742	410,381					
<b>SLN100</b>	<b>EXT COMMUNITY CARE BUDGETS</b>									
S26410	DIRECT PAYMENTS - OLDER PEOPLE - NORTH		100,533	-700	99,833					
S51410	OP, RESI, NURS, DOM - NORTH		6,873,144	-739,955	6,133,189					
S52410	PD, RESI, NURS, DOM - NORTH		584,004	-184,414	399,592					
S52822	DP PD - NORTH		77,400	-414	76,986					
S71410	OP, PRESERVED RIGHTS - NORTH		150,810	-5,463	145,347					
S26430	DP OP - SOUTH		107,413	-6,800	100,613		S	Y Efficient Protect	More Less Less Less Less Less Less Less Less Less	More Less Less Less Less Less Less Less Less Less
S51430	OP, RESI, NURS, DOM - SOUTH		3,414,351	-343,583	3,070,768					
S52430	PD, RESI, NURS, DOM - SOUTH		532,930	-58,983	473,947	Most of these are traditional social care services 'prescribed' by practitioners. The modernisation agenda is designed to move towards person centred solutions to achieving outcomes. This should be cheaper but, as demand increases with demographic pressures, will not result in savings.				
S52823	PD, DP - SOUTH		309,142	-9,152	299,990					
S71430	OP, PRESERVED RIGHTS - SOUTH		145,689	0	145,689					
<b>SADSDV</b>	<b>COMMUNITIES &amp; WELL BEING</b>		<b>2,533,722</b>	<b>-833,380</b>	<b>1,700,342</b>					
SADCOM	COMMUNITY DEVELOPMENT		121,286	-9,000	112,286	Savings have been identified this year through additional income	N	N	Less	Less
SADNWC	NEW WORK CONNECTIONS		283,455	-277,779	5,676	These budgets will cease after the 1st Quarter of 14/15 as the NWC project will finish (WEFO funded). The net budget relates to corporate insurance premiums	N	N	Ending	Ending
SADOPS	OLDER PEOPLE STRATEGY		42,897	0	42,897	National requirement	Y	Y Efficient	Same	Same
SADWEL	WELFARE RIGHTS		345,162	-98,411	246,751	Currently part of review of Welfare Advice Services	N	N	Less	Yes
S32005	COMMISSIONING		208,553	-49,190	159,363	Will reduce over next 2 years	Y	Y Efficient	Less	Less
SBU200	CARERS SERVICES		135,421	-80,000	55,421		Y	Y Efficient	Same	Same
SBU300	VOLUNTARY ORGANISATIONS AND GRANTS		959,714	-25,000	934,714		Y	Y Efficient	Same	Same
SABNU	COMMUNITY EQUIPMENT SERVICE INTEGRATION		437,234	-94,000	343,234	Partnership with BCUIB - pooled budget	Y	Y Efficient	Same	Same

SAESPE	SPECIALIST SERVICES		12,859,624	-2,642,606	10,217,018				
<b>SAESTF</b>	<b>STAFFING - LEARNING DISABILITY</b>								
S45001	PROTECTION OF VULNERABLE ADULTS		83,600	0	83,600	S	Y Protect	Same	Same
S45658	S.P.G. TRAINING		3,945	0	3,945	N	N	Same	Same
S53001	LEARNING DISABILITY STAFF ASW		386,364	-204,672	181,692	S	Y Efficient Protect	Same	Same
S53006	PERSON CENTRED PLANNING		38,750	0	38,750	N	Y Efficient Y	Same	Same
S79800	SUBSTANCE MISUSE STAFFING		15,147	0	15,147	S	Y Protect	Same	Same
<b>SAECCS</b>	<b>COMMUNITY CARE - LEARNING DISABILITY</b>								
SCS100	DOMICILIARY CARE		690,122	-28,644	661,478	S			
SCS200	RESI, NURS, DP, AD PLACEMENT, CONTRACTS		3,874,010	-685,664	3,188,346	S	Y Efficient Protect	Same	Same
SAECLS	COMMUNITY LIVING		4,870,267	-1,388,828	3,481,439	S			
<b>SL5600</b>	<b>STAFFING - MENTAL HEALTH</b>								
S41410	COMMUNITY MENTAL HEALTH TEAM - DYFFRYN CLWYD		214,295	-42,743	171,552	S	Y Efficient Protect	Same	Same
S41415	COMMUNITY MENTAL HEALTH TEAM - HAFOD		281,166	0	281,166				
	<b>COMMUNITY CARE - MENTAL HEALTH</b>								
S47810	RESIDENTIAL, NURSING & DOM CARE - SOUTH		697,077	-39,890	657,187	S	Y Efficient Protect	Less	Less
S47820	RESIDENTIAL, NURSING & DOM CARE - NORTH		875,232	-63,226	812,006				
S47825	MENTAL ILLNESS - PRESERVED RIGHTS		308,466	-60,648	247,818				
<b>SL5700</b>	<b>IN-HOUSE PROVIDER - MENTAL HEALTH</b>								
S42427	18, EAST PARADE - REHAB		128,085	-112,094	15,991				
S43430	TY MOR, RHYL		132,767	-200	132,567				
S43435	OUT OF HOURS RHYL		29,835	0	29,835	N	Y Efficient Protect	Less	Less
S47811	OUT OF HOURS - VOC		18,523	-11,107	7,416				
S47812	TREFERIAN DAY CENTRE, DENBIGH		46,313	0	46,313				
S47813	SESSIONAL SUPPORT - SOUTH		52,535	0	52,535				
S47814	SESSIONAL SUPPORT - NORTH		11,726	0	11,726				
SL5500	LLYS MARCHAN, RUTHIN		101,399	-4,890	96,509	S	N	Less	Less

SAGACS	ADULT CENTRAL SERVICES		1,024,726	-1,112,448	-87,722				
<b>SAGOLD</b>	<b>ADULT SERVICES</b>								
S60800	ICT COSTS		20,269	0	20,269				
S60850	SENIOR MANAGEMENT		539,532	0	539,532	S	Yes Y Efficient	More	Same
S75800	EMERGENCY DUTY TEAM		106,748	0	106,748	S	Yes Protect	Less	Less
S83001	CHARGING POLICY		0	-1,112,448	-1,112,448	S	Yes Efficient	More	More
<b>SAGOTH</b>	<b>OTHER ADULT SERVICES</b>								
S50001	OLDER PEOPLE - SERVICE MANAGER		5,505	0	5,505				
S53008	REGIONAL COMMISSIONING HUB		0	0	0				
S83890	OTHER ADULT SERVICES		352,672	0	352,672				

SAFCEF	CEFNDY ENTERPRISES		4,114,129	-4,032,130	81,999				
S89701	CEFNDY ENTERPRISES		4,045,083	-3,743,606	301,477				
S89702	DEVELOPMENT FUND		35,269	0	35,269				
S89703	DWP		33,777	-288,524	-254,747				

By virtue of paragraph(s) 14, 15 of Part 4 of Schedule 12A  
of the Local Government Act 1972.

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<b>Service:</b>	<b>ADULT AND BUSINESS SERVICES</b>	<b>EFFICIENCY No.</b>	<b>#REF!</b>
<b>Title:</b>	<b>PARIS financials and reduction in domiciliary care invoices</b>		
<b>Brief Description:</b>			
<b>FINANCIAL PROFILE</b>			
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b>Reductions in Expenditure (-)</b>			
Salaries			
Other Expenditure			
Income			
<b>Increases in Expenditure (+)</b>			
Salaries			
Other Expenditure			
Income			
<b>Net Efficiency</b>	0	0	0
<b>Impact on Service Provision / Service Performance:</b>			
<b>Impact on Staff:</b>			
<b>Impact on Corporate Priorities / Plan:</b>			
<b>Risk Assessment:</b>			
<b>Consultations Required / Undertaken:</b>			
<b>Geographical Impact:</b>			
<b>Impact on Other Services:</b>			
<b>Lead Member Approval</b>			
<b>Equalities Impact Assessment Required:</b>	Unsure - further work required	<b>Link to Modernisation Agenda:</b>	Working Practices
<b>Category of Efficiency:</b>	Service Savings	<b>GL Code/s:</b>	

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<b>Report To:</b>	<b>Corporate Governance Committee</b>
<b>Date of Meeting:</b>	<b>2<sup>nd</sup> July 2014</b>
<b>Lead Member / Officer:</b>	<b>Julian Thompson-Hill/ Paul McGrady (Head of Finance &amp; Assets)</b>
<b>Report Author:</b>	<b>Richard Weigh, Chief Accountant</b>
<b>Title:</b>	<b>Draft Statement of Accounts 2013/14</b>

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**1. What is the report about?**

To provide an overview of the draft Statement of Accounts 2013/14 and the process underpinning it.

**2. What is the reason for making this report?**

The Corporate Governance Committee has delegated responsibility to approve the audited accounts which will be presented on 26<sup>th</sup> September 2014. Presenting the draft accounts gives an early indication of the council's financial position and can highlight any issues in the accounts or the process prior to the accounts being audited.

**3. What are the Recommendations?**

To note the position as presented in the draft accounts (copy to follow as Appendix 1).

**4. Report details**

The council has a statutory duty to produce a statement of accounts that complies with approved accounting standards. The audited accounts have to be formally approved by elected members on behalf of the council. This role has been delegated to the Corporate Governance Committee. The draft accounts will be finalised by the 30<sup>th</sup> June. Given the role of the Committee in approving the final accounts, it is beneficial to provide an update and overview at draft stage for consideration before submitting the final accounts in September.

**5. How does the decision contribute to the Corporate Priorities?**

The publication of the Statement of Accounts underpins the financial stewardship and governance of the council and therefore supports all council services and priorities.

**6. What will it cost and how will it affect other services?**

There are no additional cost implications as a result of this report.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?**

Not applicable for this report.

**8. What consultations have been carried out?**

The council's procedures and processes underpinning the production of the accounts are regularly reviewed by the Wales Audit Office. Professional opinions are drawn from numerous other disciplines beyond finance, such as legal, property valuation, HR and pensions.

**9. Chief Finance Officer Statement**

The Statement of Accounts is a key element of the council's governance framework. It is important that elected members are assured that the accounts have been produced in compliance with the relevant standards and that the process underpinning the production of the accounts is robust.

**10. What risks are there and is there anything we can do to reduce them?**

The council would be in breach of its statutory duty if it could not approve the accounts by 30<sup>th</sup> September.

**11. Power to make the Decision**

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs. The Appointed Auditor is required by the Public Audit (Wales) Act 2004 to examine and certify the accounts of the council and must be satisfied that the accounts have been completed in compliance with the Accounts and Audit (Wales) Regulations 2005.

<b>Report To:</b>	<b>Corporate Governance Committee</b>
<b>Date of Meeting:</b>	<b>2<sup>nd</sup> July, 2014</b>
<b>Lead Member / Officer:</b>	<b>Barbara Smith, Lead Member for Modernisation</b>
<b>Report Author:</b>	<b>Alan Smith, Head of Business Improvement &amp; Modernisation</b>
<b>Title:</b>	<b>2013-14 Annual Improvement Report</b>

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## **1. What is the report about?**

The report concerns the annual assessment of the Council's prospects for improvement, undertaken by the Wales Audit Office.

## **2. What is the reason for making this report?**

To provide information to Members on the Council's Annual Improvement Report (AIR). See Appendix 1.

## **3. What are the Recommendations?**

That the Corporate Governance Committee note the contents of the attached report and the proposals for improvement within it.

## **4. Report details.**

Under the Local Government Measure, the Wales Audit Office annually reviews the Council's progress towards meeting its objectives and its prospects for continuing to improve in the year ahead.

For the year 2013-14, the WAO has concluded that:

- Denbighshire made good progress in delivering improvements in all its priority objectives for 2012-13 but further improvements are required in a few key areas;
- The Council's service challenge reviews and other measures to self-evaluate its performance are robust;
- The Council's planning for improvement and its arrangements to support improvement are good;
- The Council is likely to make arrangements to secure continuous improvement for 2014-15.

If the WAO have significant concerns about the progress made by the Council or the direction it is taking, it will make formal recommendations for change. Denbighshire's report does not have any formal recommendations this year (we have never had any in fact) reflecting the WAO's positive view of the Council's progress.

This is not to say that we are getting everything right though, inevitably, some things need more work and both last year's and this year's Annual Reports made some 'proposals for improvement'. We have made good progress with all the proposals made in the 20012/13 report and this year the Inspectors have made two further proposals which they feel will help the Council continue to progress. These are:

- P1 - *In order to achieve its objective to modernise services the Council should continue to address weaknesses in its Corporate Human Resource Service.*
- P2 - *The Council should ensure that roles and responsibilities are clear for the achievement of the affordable housing objective.*

The Council accepts both these proposals and is already taking action to address them. In terms of the proposal relating to the HR service, we are continuing to work through an action plan to address the identified shortfalls. In relation to the affordable housing issue, a task group of key members and Officers is being established to review our objectives in this important area.

## **5. How does the decision contribute to the Corporate Priorities?**

No decision is required, but the WAO's review of the Council's progress is an important part of understanding our progress towards delivering our Corporate Priorities.

## **6. What will it cost and how will it affect other services?**

There are no financial implications.

## **7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

Not applicable.

## **8. What consultations have been carried out with Scrutiny and others?**

Officers have reviewed the report for accuracy prior to publication. It will be presented to Corporate Governance in July.

## **9. Chief Finance Officer Statement**

Not required.

**10. What risks are there and is there anything we can do to reduce them?**

There would be risk to the Council if the proposals for improvement made by the WAO were not acted on.

**11. Power to make the Decision**

No decision is required.

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WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report

## Denbighshire County Council

Issued: May 2014

Document reference: 272A2014

# About the Auditor General for Wales

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

Together with appointed auditors, the Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Huw Lloyd Jones and Gwilym Bury under the direction of Alan Morris.



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# Summary report and proposals for improvement

## Summary

1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities and national parks are planning for improvement in delivering their services. This report draws on the work of the relevant Welsh inspectorates, as well as work undertaken on the Auditor General's behalf by the Wales Audit Office. The report covers Denbighshire County Council's (the Council) delivery and evaluation of its services in 2012-13, its planning for improvement in 2013-14 and, taking these into account, concludes whether the Auditor General believes that the Council will make arrangements to secure continuous improvement for 2014-15.

2 We found that the Council made good progress in delivering improvements in all of its priority objectives for 2012-13 but further improvements are required in a few key services. We came to this conclusion because:

- the Council worked effectively with its business partners to deliver initiatives which support the local economy;
- the Council has made some progress in improving performance in education but recognises that further progress is required at key stage 3;
- the condition of most roads in Denbighshire has improved;

- the Council continues to improve the wellbeing of its most vulnerable citizens;
- the Council has worked effectively to keep Denbighshire's environment attractive but further work is required to reduce incidents of fly-tipping and improve resident satisfaction;
- the Council has helped prevent many people from becoming homeless but its work to ensure access to affordable housing was less effective; and
- the Council has delivered some efficiencies in modernising services but there has been a lack of progress by the Human Resources service in meeting targets.

3 We found that the Council's service challenge reviews and other measures to self-evaluate its performance are robust. In particular:

- the Council's service challenge arrangements are good;
- the Council's performance management arrangements are soundly based;
- the Council has met improvement reporting duties required under the Measure; and
- the Council complied with financial reporting requirements.

4 Finally, we found that the Council's planning for improvement and its arrangements to support improvement are good. In particular:

- the use of performance standards helps to promote a consistent culture of ambition;
- the Council continues to make good progress in addressing the proposals for improvement identified in the previous Annual Improvement Report;
- corporate arrangements are in place to ensure compliance with the Council's Welsh Language Scheme;
- the Council has complied with its duties under the Equality Act 2010;
- processes for developing the Annual Governance Statement have improved and the Council is taking further action; and
- the Council continues to manage its financial position effectively.

5 Taking the above into account, the Auditor General believes that the Council is likely to make arrangements to secure continuous improvement for 2014-15.

## Proposals for improvement

P1	In order to achieve its objective to modernise services the Council should continue its work to address weaknesses in its Corporate Human Resource Service.
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P2	The Council should ensure that roles and responsibilities are clear for the achievement of the affordable housing objective.
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# Detailed report

## Introduction

- 6 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils, fire and rescue authorities and national park authorities are planning for improvement in delivering their services. [Appendix 1](#) provides more information about the Auditor General's powers and duties under the Measure. With help from Welsh inspectorates, Estyn (for education), the Care and Social Services Inspectorate for Wales (the CSSIW), and the Welsh Language Commissioner, we have brought together a picture of what each council or authority in Wales is trying to achieve, how it is going about it, and the progress the Council has made since the Auditor General published his last annual improvement report. The report also draws on the Council's own self-assessment. Finally, taking all this into account, the report concludes whether the Auditor General believes that the Council is likely to make arrangements to secure continuous improvement for 2014-15.
- 7 We do not undertake a comprehensive annual review of all Council arrangements or services. The conclusions in this report are based on our cumulative and shared knowledge and the findings of prioritised work undertaken this year.
- 8 Given the wide range of services provided and the challenges facing the Council, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- make proposals for improvement – if proposals are made to the Council, we would expect them to do something about them and we will follow up what happens;
  - make formal recommendations for improvement – if a formal recommendation is made the Council must prepare a response to that recommendation within 30 working days;
  - conduct a special inspection and publish a report and make recommendations; and
  - recommend to Ministers of the Welsh Government that they intervene in some way.
- 9 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at [info@wao.gov.uk](mailto:info@wao.gov.uk) or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

## The Council made good progress in delivering improvements in all of its priority objectives for 2012-13 but further improvements are required in a few key services

### The Council worked effectively with its business partners to deliver initiatives that support the local economy

- 10 The Council's 2012-13 improvement objectives for developing the economy had six intended outcomes:
- the infrastructure that connects the county, to the wider region and beyond, will enable individuals and businesses based in Denbighshire to compete effectively in wider markets for jobs and trade;
  - Denbighshire will have a workforce with the skills required for business growth;
  - businesses will develop and grow in Denbighshire;
  - Denbighshire's existing economic strengths and new potential will be maximised;
  - towns and rural communities will be revitalised; and
  - deprivation in parts of Rhyl and upper Denbigh will be reduced.
- 11 The Council has played an active role, together with the other five unitary authorities in North Wales, in establishing the North Wales Economic Ambition Board. The Council is a strong advocate of the Board, acknowledging that the economic wellbeing of the County depends heavily on what happens beyond its boundaries as well as within. Responsibility for developing the Board's agreed priorities has been allocated to each partner. The Board is working on the
- development of an integrated Infrastructure Investment Plan – which includes the development of an economic case for investment in rail electrification in North Wales – and a Skills Development Plan.
- 12 During 2012-13, activities associated with this outcome focused on liaising with Sector Skills Councils and Careers Wales to identify skills gaps and to prepare advice and training courses to support young people. For example, the Council negotiated a development agreement with Rhyl City Strategy and the owners of the former Honey Club; as the site is redeveloped into a hotel and restaurant, customised training will help local residents seeking work to acquire the skills required when staff recruitment begins.
- 13 As was the case in 2011-12, the target to reduce the level of Job Seeker's Allowance claimants compared to average levels in Wales was again missed, but this indicator has fluctuated and may not be a reflection on the effectiveness of the Council's work to support economic growth. The reduction in the last two years in the percentage of economic inactivity in Denbighshire and the reduction in the absolute number of people claiming Job Seeker's Allowance is a positive trend.
- 14 In our last Annual Improvement Report we reported that it is difficult to judge the impact of the Council's intervention in helping to develop the local economy. The North Wales Economic Ambition Board has recently established a set of outcome measures to measure future progress but will not be able to report on these measures until next year. Many of these indicators lack baseline

data, and further measures may also be introduced to reflect the dynamic nature of economic development. This means that the Council will not be able to monitor progress against its economy-related outcomes robustly until the end of 2014-15.

- 15 In the meantime, however, the Council has started using third-party economic data, such as those produced by the Office for National Statistics, to monitor changes in the local economy. Although these statistics are influenced by a wide range of external factors, they can be a valuable source of information about local, regional and national economic issues. The statistics help the Council to identify areas where significant improvements are needed; for example, whilst the County has a relatively low proportion of working age residents with no qualifications, it has a higher-than average proportion of working age residents with qualifications at Level Two and above. So, whilst residents seeking work may have basic qualifications, many will be unable to compete effectively for vacancies which demand higher-level qualifications. A key challenge for the Council will be to develop a robust understanding of the health of the local economy and to use that understanding to influence the way it provides support.

- 16 Individual projects to develop the economy have continued to progress. The Council and its partners were successful in continuing to support a number of capital projects including the completion of work of the new bridge and harbour improvements at Foryd Harbour. The Pont y Ddraig pedestrian and cycle bridge, which spans the Clwyd estuary,

is part of a £10.5 million development and includes a public square and a quayside building to create a hub for the harbour, the surrounding dunes and beach areas.

- 17 The Council focused on supporting the delivery of projects identified within the seven Town and Area Plans, such as establishing a 'town team' within Ruthin to encourage businesses, visitor attractions and events to work in a more co-ordinated way. It also made progress in developing sustainable plans for funding future projects following the unsuccessful bid for Welsh Government funding from the Vibrant and Viable Places Fund to support initiatives within Rhyl.

### The Council has made some progress in improving performance in education but recognises that further progress is required at key stage 3

- 18 The Council's education Corporate Plan priority is to improve performance and the quality of school buildings. Overall the Council has assessed its progress as positive and considers that it is well placed to deliver its plans for 21st century schools, and that it has made good progress in delivering its Modernising Education programme. It has agreed an appropriate framework for school reorganisation and is delivering this framework through an effective process of area reviews. Estyn inspected 10 schools in Denbighshire during the 2012-13 academic year. The inspection outcomes compare favourably with those in other councils; over 90 per cent of the grades awarded were 'good' or 'excellent', and none were unsatisfactory.

- 19 Our review of education performance data shows that pupils in Denbighshire's primary schools generally achieved satisfactorily in 2013. Results in the Foundation Phase (seven year olds) and at Key Stage 2 improved in comparison with 2012 and at a rate broadly in line with the Wales average. In 2013, 84.9 per cent of seven-year-olds in Denbighshire schools achieved the Foundation Phase indicator, above the Wales average of 83 per cent and the eighth highest in Wales. At key stage 2, 86 per cent of pupils achieved the core subject indicator<sup>1</sup> compared with 84.3 per cent across Wales, the ninth highest. A comparison of performance in Denbighshire primary schools with that in schools across Wales with similar levels of deprivation shows that schools in Denbighshire performed broadly at the level that might be expected in both the Foundation Phase and at key stage 2.
- 20 Pupils' performance in secondary schools in 2013 was mixed. At key stage 3, the proportion of 14-year-old pupils achieving the core subject indicator, as measured by teacher assessment, has been below the Wales average in four of the last five years, with 75 per cent doing so in 2013. Though an improvement on 2012, the Wales average improved to 77 per cent, leaving Denbighshire's performance the sixth lowest in Wales. When compared with schools elsewhere in Wales with similar levels of deprivation, results in Denbighshire's schools were weak. The proportion of pupils achieving higher National Curriculum levels (Levels 6 and 7) in Denbighshire is markedly lower in English, Welsh and science than the Wales average.
- 21 The development of the North Wales regional school improvement service, 'GwE', which began its work in April 2013, has the potential to promote improved standards in schools. GwE also has the potential to improve the consistency of teacher assessment across North Wales, an issue that may affect the reliability of data about pupil performance at the Foundation Phase and key stages 2 and 3.
- 22 At the age of 16, however, the proportion of pupils in Denbighshire achieving the Level 2 Threshold (equivalent to five or more good GCSE passes) reached 85.7 per cent in 2013, well above the Wales average and the second highest in Wales. Performance against this measure has improved by almost 18 percentage points over the last four years whereas the Wales average has increased by only 11 percentage points. Five of the eight secondary schools in Denbighshire were in the top quartile when compared with schools elsewhere in Wales.
- 23 Nevertheless, the proportion of pupils whose GCSE qualifications included good grades in English or Welsh (first language) and mathematics fell slightly in 2013 to 53.4 per cent, only slightly better than the Wales average. The Council is aware that performance against this measure should be better. The proportion of 16-year-old school-leavers in Denbighshire who do not progress into further education, training or employment fell significantly in 2012, the latest year for which data is available, to 2.9 per cent, which is the fifth lowest among councils in Wales, and much better than the Welsh average of 4.2 per cent.

<sup>1</sup> To achieve the core subject indicator, a pupil must achieve the expected national curriculum level in English or Welsh (first language), mathematics and science.

- 24 Rates of attendance in both primary and secondary schools fell slightly during 2012/13. In primary schools, attendance compares favourably with the Wales average and attendance in individual schools compares well with similar schools elsewhere in Wales. In secondary schools, however, attendance rates fell slightly to 92.4 per cent, slightly below the Wales average. Comparisons with similar schools elsewhere in Wales indicate that, in six Denbighshire schools, attendance in 2012-13 did not compare well with that in similar schools across Wales.
- 25 Rates of permanent and longer fixed-term exclusions from Denbighshire secondary schools are low. During the 2012-13 academic year, the rate of fixed-term exclusions lasting six days or more was the second lowest in Wales. The rate of shorter fixed-term exclusions was slightly below the Wales average.
- 26 The Council has successfully pursued a policy of reducing the number of pupils for whom it maintains a statement of special education needs. The number of statements maintained has fallen year-on-year from 551 in January 2007 to 372 in 2013. This reduced demand for statements helps to ensure that specialist resources such as educational psychologists are able to make better use of their expertise and has also enabled the Council to ensure that those pupils who need statements receive one in a timely manner.
- 27 The modernisation of the Council's schools estate continues. Since 2009, a series of area reviews has resulted in a reduction in the number of primary schools that the Council maintains from 53 to 47. In addition, school buildings have been refurbished and, where necessary, extended. A survey of school buildings in 2009-10 concluded that just over one third of the Council's school buildings were in need of significant maintenance. Remedial work has been undertaken at some of the schools in this category and other schools feature among the Council's future modernisation plans. However, there remain at least eight schools where the quality of the facilities remains a significant issue.
- 28 The Council is responsible for ensuring an adequate supply of school places in an efficient manner. In January 2013, there were some 1,500 surplus primary school places (16.6 per cent of the total) distributed across the 47 schools. Though higher than Welsh Government target of 10 per cent, this is slightly below the Wales average of 17.6 per cent. Across the eight secondary schools, there were 1,244 surplus places, representing 16.2 per cent of the total. This is also below the Wales average of 18.7 per cent.



- 29 Net budgeted expenditure on education for 2013-14 was, at £5,135 per pupil, a little higher than the Wales average of £4,992 per pupil. The gross cost of primary school provision, taking account of both delegated and non-delegated funding, but excluding home-to-school transport, is slightly higher than the Wales average at £4,614 per pupil. The gross cost of secondary provision is a little lower than the Wales average at £5,081 per pupil.
- 30 The level of financial reserves held by schools in Denbighshire increased significantly during 2012-13 to £2.9 million. At £190 per pupil, this represents the fourth highest level of reserves amongst councils in Wales. However, the summary position masks significant variations between schools. More than a quarter of schools carried forward surpluses in excess of 10 per cent of their budgets into the 2013-14 financial year, but a further 19 per cent of schools began the year with deficits. In a small number of cases, longstanding deficits have begun to increase again after a period of gradual reduction.

### The condition of most roads in Denbighshire has improved

- 31 The Council has set itself ambitious targets to judge whether the quality of its roads is improving. Its new ambition is that, by 2017, less than five per cent of A and B roads and less than 10 per cent of C roads will be in overall poor condition. The Council made progress in 2012-13 against the majority of its targets for improving the condition of roads. Indicators for the condition of A and B roads improved but there has been little progress with C roads and 13.9 per cent remain in a poor condition.
- 32 As we reported in our last Annual Improvement Report one of the reasons for keeping roads in good condition is to improve safety. Road safety is now being actively monitored by the Council through measures for skid resistance, accidents per kilometre, take-up of cycle and safety training, and insurance claims. In 2012-13, all these indicators met the Council's targets and new performance measures will be reported in 2014 for the percentage of road defects repaired within target times and the percentage of key routes where a drop-kerb route is in place.
- 33 In 2012-13, £3.4 million was identified for major highways works as the condition of roads is a priority for the Council. However, the Council noted in its Annual Report that this is a priority area for improvement, as only 86 per cent of the planned capital highways maintenance programme was achieved in 2012-13.

## The Council continues to improve the wellbeing of its most vulnerable citizens

- 34 CSSIW concluded in its review and evaluation of the provision of social care services in 2012-13 that, overall, the Council continues to improve the wellbeing of its most vulnerable citizens. The report describes positive changes across both adult and children's services.
- 35 CSSIW found that the Council's emphasis on early intervention, prevention and reablement continues to enable more people to lead independent lives. As a result, fewer adults require hospital admission or residential care and the Council is able to offer a more cohesive service to families as their needs alter. More people are able to access continuing support in their own communities and the Council is placing increased emphasis on personal choice and control through the active promotion of direct payments and citizen-directed support.
- 36 The Council engages actively with people who use its services and CSSIW notes that there is evidence that users' views have been incorporated into service developments and improvements. Denbighshire provides good information, advice and guidance on its services, but further work is needed to help users understand the changed emphasis in adult services towards prevention and enablement.
- 37 In 2011-12, fewer adults than in previous years had their care plans reviewed and this was highlighted by CSSIW as an area for improvement. CSSIW's 2012-13 report confirms that the timeliness of reviews has improved; the Council's performance in this area is now amongst the best in Wales and this will support the Council in ensuring that people have the right service to meet their needs. However, the Council needs to establish clear measureable outcomes to assist with the evaluation of existing services.
- 38 The timeliness of assessments within children's services has also improved. This has led to improved access to services and better case management. Services for looked-after children continue to be an area for concern, however; the proportion of looked-after children in Denbighshire who receive health assessments and dental checks is amongst the lowest in Wales; the percentage with three or more placements has doubled over the last three years; and, fewer looked-after children than before have a plan for permanence in place within the required timescale. CSSIW reports that work is required to improve stability for these children and ensure that their healthcare and education needs are being met.
- 39 Further work is required to improve the provision of support to carers in Denbighshire. CSSIW reports that the Council has strategies in place to improve services and it is working with third-sector agencies and carers' groups in North Wales to provide better support.

- 40 The Council is committed to collaborative working and has been effective in leading and supporting a number of multi-agency initiatives. Partnership working has enabled the development and delivery of restructured services and this has led to improved quality of care in the county. The CSSIW notes that relationships with partner agencies are good at both individual and organisational levels, despite some challenges in engaging effectively at a strategic level with the new structures within the local health board.
- 41 A major focus of the UK Government's plans for welfare reform are changes to Housing Benefit, which aim to reduce annual expenditure by around £2.3 billion. These include reductions to Local Housing Allowance rates for private-rented-sector claimants and deductions in payments to social-sector tenants in under-occupied homes. Since April 2013, the Government has also introduced a cap on the total amount of benefit that working age people can receive. All of these changes will mean that millions of households in Great Britain will receive less in benefits, creating hard choices for them about how they use their money and manage on a day-to-day basis.
- 42 The Council and its partners delivered a suite of inter-related projects designed to tackle poverty and improve the quality of life for residents from the more deprived areas of the county. For example, families were provided with better access to health visitors, childcare and parenting programmes to better prepare children starting school. The Council also collaborated with partners to improve local access to welfare, housing and employment advice and guidance as a way of helping vulnerable people to secure the support they are entitled to. Work also continued on the West Rhyl Housing Improvement project and the Denbighshire Empty Homes Project, although the Council has had limited success so far in this area.
- 43 The average time taken by the Council to process new benefit claims is improving, falling from 15 days in 2011-12 to 12 days in 2012-13. This remains significantly better than the Welsh average of 20 days. The average time taken to process changes of circumstances remains the same as in 2011-12 at five days. This is marginally better than the Welsh average of six days.
- 44 Whilst speed of processing is important there are a number of other measures which help to give a full picture of how well the Council is processing housing benefit applications. Analysis of these measures, such as the percentage of new claims decided within 14 days for 2012-13, found that performance declined but, following action by management, these indicators have improved during 2013-14.

**The Council has worked effectively to keep Denbighshire's environment attractive but further work is required to reduce incidents of fly-tipping and improve resident satisfaction**

- 45 The Council uses a range of local indicators to judge success in raising awareness about issues such as litter and dog fouling as part of its work to achieve clean and tidy streets in Denbighshire. The 'Cleanliness Index', which measures overall cleanliness of highways and land within the county, is one of the best recorded in Wales. However, recorded incidents of fly-tipping were higher than the average for other councils in Wales, and the Council has identified this as an area for improvement.
- 46 The Council conducted a resident survey in 2013 which indicated a high degree of resident dissatisfaction (51 per cent) with the incidence of dog fouling in their locality. The Council has recently launched its anti dog-fouling campaign, 'Love your Pet, Respect the Environment'. The campaign was designed to urge dog owners to be responsible but also improve the way in which residents could report problems. The Council also employed a team of environmental enforcement officers who could respond to complaints as well as track down offenders and issue fines. Targeted enforcement operations have been carried out in a number of areas including the placement of signs, letter drops, talking to dog owners, issuing waste bags, and distributing postcards with telephone numbers to report incidents. Although

the campaign has increased people's awareness of the issue of dog fouling, it is too early to judge if resident satisfaction with this issue has improved.

**The Council has helped prevent many people from becoming homeless but its work to ensure access to affordable housing was less effective**

- 47 The Council's Improvement Priority for housing is broader than improving the quality of Council-owned stock. The Council also wants to work with partners to ensure an adequate supply of affordable homes, and support people who are or are about to become homeless.
- 48 In Denbighshire, there has been a similar trend to that elsewhere in Wales with a decreasing number of households accepted as homeless. However, the Council's Homeless Service has experienced an increase in the number of people seeking assistance since 2012. The Council's performance for taking action to prevent homelessness remained excellent in 2012-13 and was the best in Wales.
- 49 In 2012-13 the number of households accepted by the Council as homeless and in priority need was one of the lowest in Wales and consequently the number of homeless households in temporary accommodation was, on average, lower than in other councils in North Wales. The average time homeless households spent in temporary accommodation in Denbighshire was also low and represented top quartile performance amongst councils in Wales.

50 The Welsh Government has encouraged more action by the eight councils in Wales, including Denbighshire County Council, which failed to achieve the Welsh Quality Housing Standard (WHQS) by the original target of 2012. The Council originally believed that it would be fully compliant by the 2012 deadline. However, only 86 per cent of Council-managed social rented homes met the WHQS in 2012. The Council currently aims to achieve full compliance by April 2014.

51 The Council reported improvements in response times for urgent and non-urgent categories of repairs during 2012-13, but the Council's failure to consistently ensure full compliance with legislation relating to the completion of annual gas safety checks in its housing stock is a matter of concern which the Council is now taking steps to address.

52 The Council is taking action to try to ensure a sufficient supply of affordable homes and recognises that less than a quarter of the affordable housing estimated to be required was built in 2012-13. The 61 affordable homes completed in Denbighshire in each of the two years since 2011 was less in total than the 154 homes completed in 2010-11. The Council is taking action to try to ensure a sufficient supply of affordable homes and has set a target of 570 new homes to be completed between 2012 and 2017. However, progress during 2012-13 was below the Council's target. In addition to its own continuing work to make affordable properties available in the county, the Council is also working closely with other partners to identify a range of new initiatives

to increase the future supply of affordable housing but the current Housing Strategy does not set out clearly enough the roles and responsibilities for meeting the 2017 affordable homes target. The Council is currently conducting a review of how it will achieve its affordable homes target.

**The Council has delivered some efficiencies in modernising services but there has been a lack of progress by the Human Resources service in meeting targets**

53 The Council defines success in delivering efficiencies and improved services for customers primarily by measuring positive customer feedback, the delivery of Outcome Agreements with the Welsh Government and the delivery of successful Council projects. The Council also reports on its progress as measured by the Welsh Government's statutory national indicators.

54 The Council has made some progress on its improvement objective to develop and improve services. A key indicator for this objective is the number of complaints to the Council and the speed of response to them. Both indicators improved in 2012-13 but the Council's ambition is for further improvements during the lifetime of the Corporate Plan. The 2013 Residents' Survey showed that, whilst there had been progress from the 2011 survey, only 43 per cent thought the Council was efficient and well run and 49 per cent thought the Council acted on the concerns of residents (up from 40 per cent in 2011).

55 A range of improvement projects linked to this objective made good progress in 2012-13. The Council has launched an improved website, made some progress on Town and Community Charters and introduced a range of measures to improve customer service standards and the quality of customer communications. The 2013 Residents' Survey showed over 70 per cent satisfaction with customer services across a range of performance indicators although only 53 per cent felt well informed about the services the Council provides.

56 For 17 of the 30 statutory Welsh Government national indicators Denbighshire's performance was in the top quartile for councils in Wales. The Council was fully successful for seven of the 10 outcome agreements set with the Welsh Government and partially successful for the other three outcomes.

57 A key service for delivering efficiencies is the Council's Corporate Human Resources (HR) service. The service has made limited progress in meeting its key internal targets during 2012-13. This lack of progress may hinder future progress in modernising services across the Council. The staff appraisal system process, for example, has been subject to delays in implementation and the consistency of its implementation does not appear to be monitored effectively. The HR service lacks a clear and robust understanding of the cost of its service, and how these compare to other councils. Staff surveys indicate that morale amongst the Corporate HR service is low. Outcome and performance information for the Corporate HR service is not comprehensive and key performance measures for the service are not in place. However, a recent internal audit follow-up report indicated that some progress is being made in addressing key areas for improvement.

## The Council's service challenge reviews and other measures to self- evaluate its performance are robust

### The Council's service challenge arrangements are good

- 58 The Council's Service Challenge arrangements have improved in 2013 and provide valuable annual opportunities for senior officers and key elected members to consider in detail the evidence relating to the performance of those services managed by each head of service. Well-managed preparatory meetings, at which the service managers are not present, consider detailed evidence of performance as well as matters such as sickness absence. Importantly, the preparatory meetings allow those present to set service performance in the context of known risks, and to narrow the focus of the subsequent challenge meeting to those matters that are most relevant. Where necessary, the preparatory meetings identify areas in which there is insufficient evidence and require heads of service to submit further information ahead of the service challenge meeting a few weeks later.
- 59 The preparatory meetings and the service challenges are conducted in a business-like but non-threatening manner. They form an important strand in the Council's self-evaluation process, enabling senior managers and elected members to understand more fully how well each service is performing against targets and in the national context, and to identify what needs to be done in areas that are performing less well.

### The Council's performance managements arrangements are soundly based

- 60 Our last Annual Improvement Report (May 2013) concluded that the Council's performance management arrangements were soundly based and developing satisfactorily, with clear and effective leadership by senior officers and councillors. This continues to be the case. The performance scrutiny committee and the strengthened service challenges receive performance information of consistent quality and in an easily understood format. In addition to the service challenges, the Council's Cabinet reviews performance on a six monthly basis.
- 61 Despite overall staffing numbers being reduced we found that the Council's central policy team continues to oversee, co-ordinate, and actively manage performance. This has enabled the Council to continue to deliver a well-understood and consistent system for performance management.
- 62 The results of our 2013 audit of the accuracy of a sample of the Council's performance indicators were satisfactory and we qualified none of the Council's performance indicators.

## The Council has met its improvement reporting duties required under the Measure

- 63 The Auditor General's November 2013 Improvement Assessment Letter concluded that the Council had discharged its improvement reporting duties under the Measure. In particular:
- the Council had published an assessment of its performance during 2012-13 in its *Annual Performance Report 2012/13* (the Report) before 31 October 2013;
  - the Report assessed the Council's performance in the preceding financial year (2012-13) and set out how the Council had sought to discharge its duties under the Measure;
  - the Report evaluated the Council's success in achieving its improvement objectives and expresses its view clearly;
  - the Report included a short section for citizens who wanted to provide feedback or make comments on the Report;
  - the Report included details of performance and comparisons as measured by the national statutory performance indicators; and
  - the Report included a short section on the ways in which the Council had sought to collaborate.

## The Council complied with financial reporting requirements

- 64 The auditor appointed by the Auditor General gave his opinion on the Council's accounts on 25 November 2013. [Appendix 3](#) gives more detail.



## The Council's planning for improvement and its arrangements to support improvement are good

### The use of performance standards helps to promote a consistent culture of ambition

- 65 The Auditor General's September 2013 Improvement Assessment Letter reported that the Council had discharged its improvement planning duties under the Measure. The Council published its *Year 2 Delivery Document* (the Plan), the annual review of its Corporate Plan 2012-17 (*An Excellent Council, close to the community*), in April 2013. The Plan complies with the requirements of the Measure to produce an annual Improvement Plan. The Plan is straightforward and concise, outlining what the Council wants to achieve and how it will go about it. The rationale for why Improvement Objectives (Outcomes) have been chosen is explained briefly but clearly. The Plan also explains what the Council aimed to do during 2013-14 and the measures it would use to evaluate success in achieving its objectives.
- 66 The Council consulted extensively during the development of its Corporate Plan. We agree with the Council's judgement that it was too soon to consult again about the Improvement Objectives for 2013-14. The measures the Council will use to evaluate success in achieving its objectives were therefore developed from measures in draft service plans for 2013-14 and discussions with the leadership team and elected Members.
- 67 The Council has rejected an approach to target-setting based on incremental progression of the previous year's performance in favour of an approach based on achievement of the 'excellence threshold'. Excellence thresholds are usually based on the Council's performance being amongst one of the top six performing councils in Wales. If over half the other councils in Wales are achieving better performance than in Denbighshire the Council will consider this a high priority for improvement.
- 68 The concept of the 'excellence threshold' is clearly understood by senior management and helps to instil a consistent level of ambition across the Council. However, our work on data quality suggests that some staff in individual services are less clear about the new approach to implementing corporate objectives and had difficulty in articulating how they would judge whether the people of Denbighshire would be better off at the end of the lifetime of the Corporate Plan.
- 69 The Council has clearly stated how its Improvement Objectives link to its medium-term financial plan. It has identified the resources available to support the delivery of Improvement Objectives in 2013-14, from both revenue funding and £6 million additional capital funding.

## The Council continues to make good progress in addressing the proposals for improvement identified in the previous Annual Improvement Report

70 The Council has made good progress in addressing the proposals for improvement in the Auditor General's 2013 Annual Improvement Report. In particular:

- The Council has strengthened its reporting arrangements for collaboration in its *Year 2 Delivery Document* and clearly sets out the status and outcomes of its collaboration objectives. The Year 2 Delivery Document identifies progress and setbacks on collaboration projects, most notably the decision by Denbighshire and Conwy councils not to further pursue the integration of their Public Protection Services.
- In the May 2013 Annual Improvement Report, we reported that the clarity of the links in the Corporate Plan between the Improvement Objectives and accompanying measures of success, baseline data and targets for improvement was not yet consistent across all seven Improvement Objectives. This remains the case in the *Year 2 Delivery Document*. However, the Council has made some progress in assessing whether anyone is better off as a result of its work. It has issued technical guidance to staff which defines indicators to measure success for all the Improvement Objectives and the 'excellence threshold' that the Council is aiming to achieve during the lifetime of the Corporate Plan.

71 As part of its own cycle of improvement, the Council has implemented all our proposals from our themed reviews of Technology, Information Management and Public Engagement.

## Corporate arrangements are in place to ensure compliance with the Council's Welsh Language Scheme

72 The role of the Welsh Language Commissioner was created by the Welsh Language (Wales) Measure 2011. It is expected that new powers to impose standards on organisations will come into force through subordinate legislation by the end of 2014. Until that time, the Commissioner will continue to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993.

73 The Commissioner works with all local authorities in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of local authorities to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every local authority is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report, provides a formal response and collects further information as required.

74 The Council has taken steps to assess its provision in Welsh by means of a Mystery Shopper exercise. In order to derive maximum value from the process, the Council must take steps to improve and implement the Action Plan. The Council has been proactive in developing the number of staff who can provide a basic service through the medium of Welsh by introducing a mentoring scheme and working in partnership with local colleges. As opportunities to plan the workforce through recruitment are currently limited, the Council will need to invest more in Welsh language training and plan it effectively. The Council has undertaken to report on complaints on a quarterly basis and the new complaints officers provide a quarterly report to the language officer on complaints involving the Welsh language.

### The Council has complied with its duties under the Equality Act 2010

75 The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 (the Act) sets out specific requirements for local authorities in Wales. The Act required councils to develop and publish Equality Objectives and a Strategic Equality Plan by 2012. There is significant alignment between the requirement to produce Equality Objectives and the 'Fairness' element that authorities must consider in setting Improvement Objectives under the Measure.

76 The Council's Improvement Objectives include an equality impact assessment, which includes information about the Council's equality work, particularly in relation to research, and reports on topics relating to protected groups and the Council's future plans for engagement with these groups. We believe the Council has met the requirements of the Act in setting its Improvement Objectives.

77 The Act requires local authorities to publish an Annual Equality report outlining progress on their strategic equality plans. The Denbighshire report was published before the statutory deadline of March 2013 and we believe that it met the requirements of the Act in reporting progress. It is the Council's intention that the next Corporate Plan in 2017 will incorporate the Strategic Equality Plan as part of the Council's commitment to addressing equality issues throughout its services.

### The Council has improved its processes for developing its Annual Governance Statement and is taking further action

78 My September 2013 Improvement Assessment Letter reported that the Council had been open to learning, as demonstrated by the improvements it had made to its arrangements for drafting its Annual Governance Statement for 2012-13. The Council had established a Governance Group to produce an action plan to bring together all of the key internal and external recommendations to support the completion of the Annual Governance Statement and was continuing to explore ways of making further improvements.

79 However the Council, through the work of the Governance Group, recognises it needs to take additional steps to obtain senior officers' and members' perspectives on the effectiveness of its governance arrangements. The current 2012-13 Annual Governance Statement makes very limited reference to governance controls in relation to commissioning, and the Council undertakes limited assurance work to assess the effectiveness of these controls. The Council recognises the need to strengthen arrangements for developing its Annual Governance Statement and is also taking action to improve partnership controls.

### The Council continues to manage its financial position effectively

80 The Council has clearly stated what its Improvement Objectives aim to achieve and has included broad details, linked to its Medium Term Financial Plan, on the resources available, both revenue and capital, to support their delivery. However, the Council now faces a significant future challenge following fundamental changes in the financial climate. Despite a very challenging grant settlement from the Welsh Government, the Council has set a balanced budget for 2014-15 which includes a 3.5 per cent increase in council tax and savings of £8.5 million. For the period 2015-18 further savings will be required. The Council recognises that it needs to keep all its options open and has begun to identify a range of possible measures which will then be subject to consultation during 2014.

81 The Chancellor of the Exchequer announced the 2010 spending review to Parliament on 20 October 2010. This formed a central part of the coalition government's response to reducing the national deficit, with the intention of bringing public finances into balance. The Chancellor's policies represent the largest reduction in public spending since the 1920s and come at a time when demographic changes and recession-based economic pressures are increasing demand for some services. To effectively plan their finances, authorities should analyse details of financial trends, appropriate benchmarking information, possible scenarios and their likely impact over the short, medium and long term. The current financial climate and the recent tough settlement for local government mean that good financial planning is critical to sustaining financial resilience.

82 The Wales Audit Office is currently examining authorities' financial health, their approach to budgeting and delivering on required savings, to provide assurance that authorities are financially resilient. This work will consider whether authorities have robust approaches in place to manage the budget reductions that they are facing to secure a stable financial position that enable them to continue to operate for the foreseeable future. The focus of the work is on the 2014-15 financial planning period and the delivery of 2013-14 budgets. This review will be completed early in 2014-15 and we will publish the findings in our next cycle of improvement assessment work.

## The Council is likely to make arrangements to secure continuous improvement for 2014-15

- 83 Based on the conclusions in the previous sections of this report the Auditor General for Wales believes that Denbighshire County Council is likely to meet the requirements of the Measure in making arrangements to secure continuous improvement.

# Appendices

## Appendix 1 Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

This report has been produced by the Wales Audit Office on behalf of the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

Improvement authorities are under a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'. Improvement authorities are defined as local councils, national parks, and fire and rescue authorities.

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of an authority's likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority's track record of improvement. The Auditor General will summarise his audit and assessment work in a published Annual Improvement Report for each authority (under section 24).

The Auditor General may also in some circumstances carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Wales Audit Office is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

## Appendix 2

### Useful information about Denbighshire and Denbighshire County Council

#### The Council

The Council spends approximately £236 million per year (2013-14 budget). This equates to about £2,500 per resident. In the same year, the Council also planned to spend £49.9 million on capital items.

The average band D council tax in 2012-13 was £1,052 per year. This increased by 2.34 per cent to £1,074 for 2013-14. Eighty-four per cent of Denbighshire's housing is in council tax bands A to D. The average band D council tax for England in 2013-14 was £370 higher than in Denbighshire at £1,444.

The Council is made up of 47 elected members who represent the community and make decisions about priorities and use of resources. The Leader is Councillor Hugh H Evans OBE. The political make-up of the Council is as follows:

- 8 Conservatives
- 13 Independent
- 8 Plaid Cymru
- 18 Labour

The Council's Chief Executive is Dr Mohammed Mehmet and his management team includes:

- Corporate Director: Modernisation and Wellbeing – Sally Ellis (retired February 2014). Nicola Stubbins is the new Director of Social Services.
- Corporate Director Economic and Community Ambition – Rebecca Maxwell
- Corporate Director: Learning and Communities – Hywyn Williams

## Other information

The Assembly Members for Denbighshire are:

- Ann Jones, Vale of Clwyd, Labour Party
- Darren Millar, Clwyd West, Conservative Party
- Ken Skates, Clwyd South, Labour Party

Regional Assembly Members are:

- Llyr Huws Gruffydd, Plaid Cymru
- Mark Isherwood, Welsh Conservative Party
- Aled Roberts, Welsh Liberal Democrats
- Antoinette Sandbach, Welsh Conservative Party

The Members of Parliament for Denbighshire are:

- Chris Ruane, Vale of Clwyd, Labour
- David Jones, Clwyd West, Conservative
- Susan Elan Jones, Clwyd South, Labour

For more information see the Council's own website at [www.denbighshire.gov.uk](http://www.denbighshire.gov.uk) or contact the Council at County Hall, Wynnstay Road, Ruthin, LL15 1YN. Telephone: 01824 706000.



## Appendix 3

### Annual Audit Letter

Councillor Hugh H Evans – Leader  
Mohammed Mehmet – Chief Executive  
Denbighshire County Council  
County Hall  
Wynnstay Road  
LL15 1YN

Dear Councillor Evans and Dr Mehmet

#### Annual Audit Letter

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

#### The Council complied with its responsibilities relating to financial reporting and use of resources

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards. On 27 September 2013, the Appointed Auditor issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Corporate Governance Committee in my Audit of Financial Statements report on the 27 September 2013 and a more detailed report will follow in due course.

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts, as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. Overall, I am satisfied that the Council has appropriate arrangements in place. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

I am currently unable to certify the completion of the audit due to objections to the accounts raised by members of the public remaining open. I am currently in the process of formally concluding on these objections which enable me to certify the closure of the 2012-13 audit.

The financial audit fee for 2012-13 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

**Derwyn Owen**

Director Financial Audit  
For and on behalf of the Appointed Auditor

25 November 2013

## Appendix 4

# Denbighshire County Council's improvement objectives and self-assessment

### The Council's improvement objectives

The Council is required by the Welsh Government to make plans to improve its functions and the services it provides. Each year it must publish these plans along with specific 'improvement objectives' that set out the key things that the Council intends to do to improve. The Council must do this as soon as possible after 1 April each year.

The Council published its improvement objectives for 2013-14 in April 2013. The details are available on the Council's website at [www.denbighshire.gov.uk](http://www.denbighshire.gov.uk). They are:

Key improvement objective priorities 2012-13	Key improvement objective priorities 2013-14
Developing the local economy.	Developing the local economy.
Improving performance in education and the quality of school buildings.	Improving performance in education and the quality of school buildings.
Improving our roads.	Improving our roads.
Vulnerable people are protected and able to live as independently as possible.	Vulnerable people are protected and able to live as independently as possible.
Clean and tidy streets.	Clean and tidy streets.
Ensuring access to good quality housing.	Ensuring access to good quality housing.
Modernising the council to deliver efficiencies and improve services for our customers.	Modernising the council to deliver efficiencies and improve services for our customers.

### The Council's self-assessment of performance

The Council's self-assessment of its performance during 2012-13 can be found at [www.denbighshire.gov.uk](http://www.denbighshire.gov.uk).

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Dr Mohammed Mehmet  
Chief Executive  
Denbighshire County Council  
County Hall  
Wynnstay Road  
Ruthin, LL15 1YN

Date 12<sup>th</sup> May 2014  
Pages 1 of 3

Dear Mohammed

**2014-15 Performance Audit Work and Fees**

I am writing to confirm the programme of performance audit work at Denbighshire County Council for 2014-15 and the associated fee for that work. This work is delivered under the Local Government (Wales) Measure 2009 (the Measure), the Local Government Act 1999 and the Public Audit (Wales) Act 2013.

In addition to the Auditor General’s audit and assessment work under the Measure, we will undertake a programme of Local Government Studies as set out in the Auditor General’s letter of 28 April 2014. These and the specific elements of our audit and assessment work are set out in the table below. Please note that each year’s work programme and performance audit fee covers one cycle of Improvement Assessment work. However, as this work does not fit neatly within a period starting on 1 April and ending on 31 March, the delivery of the annual work programme may overlap financial years.

<b>WAO performance audit work 2014-15</b>	
<b>Improvement assessment work</b>	
<b>‘Improvement Plan’ Audit</b>	Audit of discharge of duty to publish an improvement plan.
<b>‘Assessment of Performance’ Audit</b>	Audit of discharge of duty to publish an assessment of performance.
<b>Financial Management</b>	Financial position work focussing on financial health, the effectiveness of

	budget setting arrangements, financial governance systems and progress/track record in delivering on required savings.
<b>Governance</b>	Local scope to be confirmed
<b>Performance Management</b>	Local scope to be confirmed
<b>Local Government Studies</b>	
<b>Joined up working to address Health and Social Care demand – Independence of Older People.</b>	This study will focus on supporting older people to maintain their independence outside of the health and care system by assessing how effective ancillary services are at supporting them to live independently.
<b>Delivering with less – Leisure Services</b>	This study will track the levels of investment in leisure services over the last few years using the methodology developed for the 2013-14 delivering with less study on environmental health services.
<b>Financial position summary</b>	This study will summarise local work on councils' financial position and give an all-Wales picture of financial resilience.
<b>Local work</b>	The focus and scope of local work will be agreed following further discussion with the Authority and based on an assessment of issues relevant to the Authority's programme of improvement

The table below sets out our fees for performance audit work and includes the fee for financial audit work for completeness. The indicative total fee for April 2014 to March 2015 is £272,146 and will be charged in equal instalments between April 2014 and March 2015. If during the course of the audit and assessment any additional work is identified as being necessary, this may incur additional fees. Similarly should an issue arise of such importance that we consider a special inspection to be an appropriate response, we will charge an additional fee to conduct such an inspection.

<b>Fee April 2014 to March 2015</b>	<b>£</b>
Fee for performance audit work	£93,882
Fee for financial audit work	£178,264
<b>Total Fee</b>	<b>£272,146</b>

In addition to the programme of work set out above the Wales Audit Office may be undertaking work at local government bodies in the course of our programme of value for money studies laid before the National Assembly for consideration by its Public Accounts Committee. As many of these studies cut across the boundaries between different parts of the Welsh public sector, they will often be relevant to our work in local government. This work is funded separately by the Welsh Government consolidated fund and therefore does not incur a fee.

The Auditor General also has a duty under the Measure in relation to the coordination of the regulatory functions of the Wales Audit Office and relevant regulators, those being the Appointed Auditor; the Care and Social Services Inspectorate Wales (CSSIW); Estyn; and the Welsh Language Commissioner. The range of performance audit work that the Wales Audit Office and relevant regulators will carry out will be set out in more detail in a Work Plan and Timetable (WP&T) which will be reviewed every quarter.

We will publish an Annual Improvement Report for Denbighshire Council summarising our work and that of relevant regulators, and will issue reports (and/or letters) setting out the findings of audit and assessment work. As required by the Measure, these will be copied to Welsh Ministers. We will also provide local feedback on our Studies. As some of our studies are only carried at a selection of authorities, you may not receive a local report: instead we will publish a national report, the recommendations of which will apply to all local authorities. Where appropriate, both our improvement studies and national work may result in shared learning seminars or other outputs.

Should you wish to discuss any element of this work please do not hesitate to contact me or Huw Lloyd Jones ([huw.lloydjones@wao.gov.uk](mailto:huw.lloydjones@wao.gov.uk)) or Gwilym Bury ([gwilym.bury@wao.gov.uk](mailto:gwilym.bury@wao.gov.uk))

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jane Holownia', written in a cursive style.

Jane Holownia

WAO Group Director



**Report To: Corporate Governance**

**Date of Meeting: Wednesday 2 July 2014**

**Lead Member / Officer: Cllr Barbara Smith / Alan Smith**

**Report Author: Nicola Kneale**

**Title: Corporate Risk Register review, April 2014**

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**1. What is the report about?**

- 1.1 The April 2014 formal revision to the Corporate Risk Register. The delay in the report reaching this committee is due to the fact that it was omitted from the forward work programme, which is being revised in order to prevent future omissions.

**2. What is the reason for making this report?**

- 2.1 To present Corporate Governance with the latest version of the Corporate Risk Register, as agreed at Cabinet Briefing.

**3. What are the recommendations?**

- 3.1 That Corporate Governance notes the deletions, additions and amendments to the Corporate Risk Register, and has the opportunity to comment.

**4. Report details**

- 4.1 The Corporate Risk Register enables the council to manage the likelihood and impact of risks that it faces by evaluating the effect of any current mitigating actions, and recording deadlines and responsibilities for further action that should enable tighter control.

- 4.2 The Corporate Risk Register has been developed by, and is owned by, the Corporate Executive Team and Cabinet. The process for reviewing the Corporate Risk Register is as follows:

- Services are encouraged to review their risk registers twice per year (according to the Corporate Risk Management methodology) prior to each Corporate Risk Register review, and also prior to their Service Performance Challenge meetings. Any issues or queries are discussed in the Service Performance Challenge meetings.
- The Corporate Improvement Team analyses all service risk registers to identify any risks of corporate significance, or any risk themes emerging across services.

- Updates on current corporate risks are collected from risk owners, and updates on mitigation actions are collected from action owners.
  - Individual meetings are held with the Chief Executive and each Corporate Director to discuss the risks for which they are lead. Consideration is given to whether the risk remains, whether the scores are accurate, and whether any new risks under their jurisdiction need to be included.
  - A new draft of the Corporate Risk Register is discussed with Cabinet and CET to review existing risks; discuss progress on agreed mitigation actions; discuss and agree new corporate risks; review and update residual risk scores; update existing controls (in light of completed actions); and agree any new actions required to mitigate risks.
- 4.3 The Corporate Risk Register is formally reviewed twice yearly by Cabinet and CET. However, any significant new or escalating risks are brought to the attention of CET (via the Corporate Improvement Team) as and when they are identified. CET then take a view as to whether that risk should be included in the Corporate Risk Register.
- 4.4 Following each formal review of the Corporate Risk Register (twice per year), the revised document is presented to the Corporate Governance Committee.
- 4.5 Actions identified to address corporate risks are included in Service Plans (where appropriate), which enables Performance Scrutiny Members to monitor progress. Any performance issues in relation to the delivery of these activities should be highlighted as part of the Service Performance Challenge process.
- 4.6 The council's Internal Audit function provides independent assurance on the effectiveness of the internal control procedures and mechanisms in place to mitigate risks across the council. It also offers independent challenge to ensure the principles and requirements of managing risk are consistently adopted throughout the council. Internal Audit Services also use information from our service and corporate risk registers to inform its forward work programme.
- 4.7 An annual review and report on progress of the risk management policy (produced for the Corporate Governance Committee) will identify weak areas that need to be strengthened to improve the risk management process.
- 5. How does the decision contribute to the Corporate Priorities?**
- 5.1 The purpose of the Corporate Risk Register is to identify the potential future events that may have a detrimental impact on the council's ability to deliver its objectives, including its corporate priorities. The identified controls and actions are therefore crucial to the delivery of the corporate priorities.
- 6. What will it cost and how will it affect other services?**
- 6.1 The cost of developing, monitoring and reviewing the Corporate Risk Register is absorbed within existing budgets.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

7.1 This Corporate Risk Register documents identified risks, and current and proposed mitigating actions. The process of developing and reviewing the document itself does not impact adversely on any people with protected characteristics. However, any new process, strategy or policy arising as a result of a mitigating action should be equality impact assessed at service delivery level.

**8. What consultations have been carried out with Scrutiny and others?**

8.1 Details of the consultation process to review the Corporate Risk Register are contained in paragraph 4.2.

**9. Chief Finance Officer Statement**

9.1 There are no financial implications arising from the process outlined in this report for developing, monitoring and reviewing the Corporate Risk Register.

**10. What risks are there and is there anything we can do to reduce them?**

10.1 The main risk associated with the risk management process is that the registers are not regularly reviewed and do not therefore become a dynamic and meaningful management tool. However, the new process is fully integrated into the council's performance management framework, which should ensure that this does not happen.

**11. Power to make the Decision**

11.1 Local Government Act 2000.

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### The main changes made to the Corporate Risk Register are listed below:

- i) Revision to DCC001. Definition made more explicit by referring to the level of severity being considered in relation to this risk '*The risk of a serious safeguarding error where the council has responsibility, resulting in serious injury or death*'. The mitigating actions have been updated to reflect the establishment of the Corporate Safeguarding Committee, and it's noted that further mitigation is likely to occur once the national report on Safeguarding is received from the Wales Audit Office.
- ii) Revision to DCC004: '*The risk that the HR framework doesn't support the organisation's aims*'. Mitigating actions have been updated to note that a new CRM is now in place; Middle Managers are being consulted with; and feedback is being used to improve the transactional service, with apparent success. Strategically, some development's still required. This will happen as part of the 'Selecting Talent and Developing Potential' project. The inherent and residual risks scores remain identical at the moment. Although it's felt the risk has reduced, it hasn't done so sufficiently to change the score yet.
- iii) Revision to DCC006: '*The risk that the economic and financial environment worsens beyond current expectations, leading to additional demand on services and reduced income*'. One new mitigating action has been added regarding the Freedom & Flexibilities approach to budget-setting. It's suggested the inherent risk score stays the same at A1, but the residual risk score has reduced from C1 to C2 based on the fact that the impact is reduced (as we are better placed to manage the reduced income).
- iv) Revision to DCC007: '*The risk that critical or confidential information is lost or disclosed*'. Existing mitigating actions have been added: Information Strategy now in place, the Strategic Information Risk Officer reviews security breaches, SLT and Corporate Governance are trained in Information Security, and we have enforced the encryption of removable media devices. Further mitigating actions are also identified, including: the addition of a new Information Security Policy, changes to the Corporate Stores, and the rollout of corporate Information Security training via e-learning.
- v) No change to DCC011: '*The risk of a severe weather, contamination, or public health event*'. Although processes are planned that should mean we're better able to respond to a crisis, it's suggested that the Residual Risk score remains the same until the mitigating actions are complete. Hopefully this score can be reduced at the next review.
- vi) Revision to DCC012: '*The risk of a significantly negative report(s) from external regulators*'. No change to the score here, but the further mitigating action column has updated to refer to the recent merger of the Annual Governance Statement and the Corporate Self-Assessment, which will be approved and published by June.

- vii) Revision to DCC013: *'The risk of significant financial and reputational liabilities resulting from management of some Arm's Length organisations'*. There are two new mitigating actions here: one based on developing our response to Internal Audit's recommendations regarding our management of Arm's Length organisations (the report was not yet produced at the time of writing), and another referring to the review of the Clwyd Leisure situation (particularly the lessons learned). Note, although Clwyd Leisure issues that we are dealing with only pose reputational risks now, we don't feel that our controls in this area are yet sufficiently strong to justify reducing the Residual Risk score.
- viii) No change to DCC014: *'The risk of a health & safety incident resulting in serious injury or the loss of life'*.
- ix) Revision to DCC016: *'The risk that the impact of welfare reforms is more significant than anticipated by the council'*. It's acknowledged that Corporate Governance is still to be updated regarding the Welfare Reform Group's structure and activity. Council are also to be briefed about the pressures facing the council and the work of the group.
- x) Revision to DCC017: *'The risk that the ICT framework does not meet the organisation's needs'*. There's been substantial change regarding the management of this risk since this Register was last reviewed, including a restructure so that ICT now sits under Business Improvement & Modernisation; a change in the section's leadership; and the progress of a hardware rollout. Further mitigating actions to be completed include the delivery of the MS Enterprise software and the development of a telephony strategy. Although significant and confidence-building, the framework itself is still in development, hence the score hasn't yet been downgraded. However, once the fundamental elements of hardware, software and telephony are in place (supported by a rolling cycle of renewal) this risk might be eliminated.
- xi) Revision to DCC018: Formerly worded, *'The risk that change/modernisation programme and project benefits are not fully realised'*, this risk now reads, *'The risk that programme and project benefits are not fully realised'* – widening focus from the Modernisation programme to all projects and programmes within the council. It's suggested that the Residual Risk score increases here from a C2 to a B2. This is for two reasons: i) we don't feel confident that the controls we have in place are sufficient for ensuring benefits are realised, and ii) increasing financial pressures mean we have to demonstrate and extract value for money. Three mitigating actions have been suggested, namely: developing a corporate handbook containing guidance for managing change, developing a proposal for managing the delivery of project benefits, and ensuring Programme Boards' progress is updated to CET quarterly.
- xii) No change to DCC019: *'The risk that the availability of the Welsh Government's match-funding contribution towards Band A of the 21st Century Schools programme is not in line with the timescales for Denbighshire's work programme'*. It should be noted that business cases submitted to the Welsh Government have met with approval, all of which suggests that our approach

to managing the programme is good.

- xiii) Removal of DCC020: *'The risk that the review by The Commission on Public Service Governance and Delivery negatively affects Denbighshire'*. Given that we don't foresee any short-term changes and are continuing to go about our business as usual, we think our position is quite stable and currently does not pose a risk. Further clarity will be achieved once the Welsh Government responds to the Williams Report. This might result in the risk being reinstated, but it's not something that we need to respond to at the moment.
- xiv) DCC021: *'The risk that effective partnerships and interfaces between BCU Health Board and Denbighshire County Council (DCC) do not develop, leading to significant misalignment between the strategic and operational direction of BCU and DCC'*. It's acknowledged here that a new Chief Executive has been appointed for BCUHB, but is yet to take up his post. Until in post, this risk level remains the same. Regional meetings between the North Wales local authorities and the Health Board are arranged from 6 May.

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## Denbighshire County Council

Register Owner: Corporate Executive Team

[LINK TO POLICY STATEMENT](#)

Updated: 13.03.2014

[LINK TO RISK GUIDANCE](#)

Risk Description	Owner	Impact / Consequence	Inherent Risk	Controls to Manage Risk (in place)	Residual Risk	Further Actions	Action Owner	Action Date
DCC001 <i>Professional / Managerial</i>	Nicola Stubbins	Significant reputational loss. Possible intervention by Welsh Government. Legal/compensation costs.	B2	Child protection & Safeguarding Procedures. Regular training of staff in Children & Family Services. Corporate Safeguarding Training Programme. Wales Interim Policy & Procedures for the Protection of Vulnerable Adults from Abuse. Framework of self-assessment for schools in relation to safeguarding has been established. Section 28 Audits, and annual reporting requirement for services to demonstrate how they are discharging their duties in relation to safeguarding. Section 28 audit tool in place for voluntary sector to ensure safeguarding practices are in place. Compliance with safeguarding practises is part of the annual HR audit of schools. '% of staff (school and non-school) requiring a CRB check and/or references that have them in place' is built into HR's service plan. Corporate Safeguarding Group established with representation from all Services and from Cabinet	C2	WAO has recently conducted a national review around the governance of Safeguarding. Report due, which will contain DCC-specific and more general recommendations. DCC to review its position once this report is available	Nicola Stubbins	31-Jul-14
<b>The risk of a serious safeguarding error where the council has responsibility, resulting in serious harm or death.</b> This risk is increasing as the environment is changing with growing expectations around our duties in relation to 3rd party provision. CRB criteria are also changing which may increase the risk. The 'at risk' group is not limited to children here; adults are vulnerable too.	<u>Lead Member(s):</u> Cllr Bobby Feeley					Corporate training to be prepared	Leighton Rees	01-May-14
DCC004 <i>Professional / Managerial</i>	Rebecca Maxwell	The council is unable to deliver the associated savings incorporated into the MTFP through the Modernisation priority if our policies don't support proposed strategy. Organisational functions such as restructures might be slow to progress or even violate employment law if our managers are not effectively	B2	There's a CRM in place in HR Direct to enhance efficiency and provide improved management information to identify areas of common enquiry. Middle Managers are being consulted with regarding their experience of the service, and further improvements will be made. Workforce Planning is now	B2	New strategic approach to 'Selecting Talent and Developing Potential' being developed for approval by SLT	Linda Atkin	31-May-14
<b>The risk that the HR framework doesn't support the organisation's aims.</b> The policies and procedures we have in place need to reflect current organisational strategy (e.g. flexible working), and HR	<u>Lead Member(s):</u> Cllr Barbara Smith							

need to offer support for those functions where the organisation requires it (e.g. restructures)

managers are not effectively supported

workforce planning is now embedded and the service is happy with its development. Although the transactional element of HR is being addressed with apparent success, there is still work to do to ensure that the strategic framework supports the organisation's aims.

No further action identified

N/A

N/A

<b>DCC006</b>								
<i>Economic &amp; Financial</i>	Mohammed Mehmet	The council suffers from a significant reduction in income, leading to an inability to deliver current levels of service provision.		The council has no control over the global economy or the WG settlement. Therefore the inherent risk score likely to remain high.		New budget process (Freedom and Flexibilities) developed for 15/16 and beyond based around the Chief Executive's 'Sharpening Our Act' strategy. Currently being piloted and will be implemented over the summer.	Paul McGrady	30-Jun-14
The risk that the economic and financial environment worsens beyond current expectations, leading to additional pressure on services and reduced income. The forthcoming settlement is lower than originally anticipated, and may only be relevant for 1 year, affecting our ability to effectively plan for the medium term	<u>Lead Member(s):</u> Cllr Julian Thompson Hill		<b>A1</b>	Annual, detailed budget setting process that considers economic environment	<b>C2</b>			
				The Medium Term Financial Plan (MFTP) contains different scenarios to ensure it can deal with changes in the external environment, and is considered on a quarterly basis.		No further action identified	N/A	N/A
				Budget-setting process and Modernisation Board's activities raise awareness of implications of significantly reduced income due to the economic environment.				
				Quarterly financial planning meetings between services and management accountants are in place				
				Service's budgets are scrutinised by the Lead Member for Finance and the Head of Service during budget setting talks				
<b>DCC007</b>								
<i>Legislative / Regulatory</i>	Hywyn Williams	Reputational damage. Criticism from external regulators (e.g. WAO conducting a review of information management across Welsh Authorities in 2012). Fines from the Information Commissioner's Office (precedent of fines of up to £130k for single breach of Data Protection Act).		The council has PSN accreditation.		New information security policy	Alan Smith	31-Oct-14
The risk that critical or confidential information is lost or disclosed.	<u>Lead Member(s):</u> Cllr Barbara Smith		<b>B3</b>	Retention schedules and file plans are incorporated into all EDRMS implementations.	<b>C3</b>			
				Staff workshops delivered on good archiving practices.		Corporate Stores changes: digitisation, revision of file-request process, file amnesty day	Alan Smith	30-Sep-13
				Printer controls in place. EDRMS project being rolled out. Addresses checked by a second member of staff when sending sensitive information		Corporate intranet based training available from April	Alan Smith	31-Jul-13
				Information strategy in place. Strategic Information Risk Officer in place who investigates breaches and creates an action plan for prevention after each one. Training delivered to SLT and Corporate Governance Committee.				
				Enforcing the encryption of any removal media used to download				

<b>DCC011</b>	Rebecca Maxwell	Significant disruption to core services. Serious injury or fatality due to road network closure, poisoning or infection. Reputational risk to the council if unable to deal with issues.	<b>D2</b>	The control environment in this area is the joint Emergency Planning Unit (Denbighshire & Flintshire). We also continually review our procedures for winter highways maintenance (e.g. this was the subject of a report to Communities Scrutiny Committee in October 2012, and we recently reviewed our emergency call-out rota system). Secondary rota established and operational. Service disruption is minimised through our arrangements for business continuity and emergency planning, with separate Directors responsible for Response, Recovery, and Information	<b>D2</b>	Training for CET and SLT in tactical and strategic emergency response to be delivered	Rebecca Maxwell	30-Jun-14
<i>Environmental</i>	<u>Lead Member(s):</u> Cllr David Smith					Vulnerable People mapping project	Phil Gilroy	30-Sep-14
<b>The risk of a severe weather, contamination, or public health event.</b> Services plan for the impact of expected seasonal variations in weather, but severe weather events can impact on service delivery. Similarly, we put plans in place to monitor food, water and air quality, but any contaminations can impact on service delivery, as would any viral pandemics.	Major incident handbook to be updated					Rebecca Maxwell	30-Apr-14	
<b>DCC012</b>	Hywyn Williams	Reputational damage. Potential intervention by the WG. Significant resources may be required to be diverted to deliver immediate and substantial change. Regulation we're subject to includes: CSSIW (Care and Social Services Inspectorate Wales); WAO office; Estyn; HSE (Health & Safety Executive); ICO (Information Commissioner's Office)	<b>C2</b>	The corporate performance management framework (PMF) is the main control in this area. New system of "excellence thresholds" and "interventions" now used which is more robust than traditional target setting. Training on PMF has been delivered to Members, with a specific sessions for Cabinet and Performance Scrutiny. Head of Business Improvement and Modernisation, and Corporate Programme Office Manager meet monthly with Wales Audit Office to understand and respond to their concerns. Regulators sit on our Service Performance Challenges now. Research & Intelligence team creates Needs & Demands, and Comparative reports to enhance self awareness for services.	<b>D3</b>	Annual governance statement and corporate self assessment have been integrated into a single document, 'Delivering Good Governance & Continuous Improvement'. First draft will be shared with our Regulators and will go to Corporate Governance Committee, ahead of publishing by the June deadline	Alan Smith	30-Jun-14
<i>Legislative / Regulatory</i>	<u>Lead Member(s):</u> Cllr Hugh Evans							
<b>The risk of a significantly negative report(s) from external regulators.</b>								
<b>DCC013</b>	Hywyn Williams	Capital liabilities. Property Liabilities. Reduction in levels of service provided to the community, or increased revenue costs to continue delivery. Reputation damage to the council.	<b>B2</b>	Council is entitled to representation on Boards, and Heads of Service providing strategic advice to facilities. Heads of Service advise DCC on any emerging issues and risks. Financial support and/or subsidies being provided. Processes are in place to manage relationships between DCC and Arm's Length organisations.	<b>B3</b>	Internal Audit's Due Diligence report due imminently to provide a steer regarding how to improve controls around Arm's Length organisations	Rebecca Maxwell	30-Apr-14
<i>Partnership / Contractual</i>	<u>Lead Member(s):</u> Cllr Huw Jones							
<b>The risk of significant financial and reputational liabilities resulting from management of some Arm's Length organisations.</b> Liabilities could arise due to financial, HR, safeguarding, or general management problems								

<p><b>DCC014</b></p> <p><i>Physical Hazards and H&amp;S</i></p> <p><b>The risk of a health &amp; safety incident resulting in serious injury or the loss of life.</b> This could be as a result of an ineffective H&amp;S management system; inadequate fire control systems (infrastructure); or inadequate fire management planning.</p> <p style="text-align: center; font-size: 2em;">Page 77</p>	<p>Hywyn Williams</p> <p><u>Lead Member(s):</u></p> <p>Cllr Julian Thompson Hill</p>	<p>Serious injury or death of an employee and/or member of public. Significant reputational damage Substantial legal/compensation costs. Criminal prosecution of senior staff.</p>	<p><b>C2</b></p>	<p>New H&amp;S Committee established with representation from each service, plus meetings established with groups of services. Strategic leadership provided by Corporate Director with responsibility for health and safety. Improved efficiency through on-line &amp; phone line incident reporting. Council has existing Health and Safety Management System(s)- All DCC teams to identify their activities, consider the hazards associated with the work, describe how the risks are managed and then analyse any gaps in how they are managing the risks. These self analyses are now being monitored by the CH&amp;S team who are going out into the workplaces and providing support, guidance and feedback where it is needed. The H&amp;S training program focuses on in-house provision that is targeted at DCC activities. Strong Leadership process developed and in place across the organisation. Links developed with Property Services to manage property-related fire risks Middle managers have developed robust fire management system controls In-house training and meetings established to embed good practise. GUIDance and assistance provided to managers responsible for developing fire management</p>	<p><b>E2</b></p>	<p>No further action required</p> <p>No further action required</p>		
<p><b>DCC016</b></p> <p><i>Economic &amp; Financial</i></p> <p><b>The risk that the impact of welfare reforms is more significant than anticipated by the council.</b> Welfare reform has potentially significant implications for a large proportion of residents, and also on the council in terms of increased demand for services and reduced income. The actual impact is difficult to predict.</p>	<p>Paul McGrady</p> <p><u>Lead Member(s):</u></p> <p>Cllr Hugh Irving</p>	<p>Potential increase in demand for services: e.g. homelessness and homelessness prevention services; housing (especially for stock which is currently scarce); benefits support / advice, etc. Reduced income from rents and council tax payments with reduced cash flow and an increase in bad debt for the authority. Increased recovery action and administrative costs. Increase in tenants' rents. Also an impact to Social Services due to Disability Living Allowance changes. This could also impact on our ability to deliver our Corporate Priorities</p>	<p><b>B2</b></p>	<p>DCC Welfare Reform Group has been meeting since April 2012. This group is cross service to ensure that information is shared and pressures identified to support our customers. Chair of Corporate Governance sits on the Welfare Reform Group</p>	<p><b>B3</b></p>	<p>Set up reporting arrangements for the group to keep Corporate Governance informed of its progress</p> <p>Council to be briefed on the pressures facing the organisation and the work of the group</p>	<p>Paul McGrady</p> <p>Paul McGrady</p>	<p>30-Jun-14</p> <p>Jun-14</p>

<b>DCC017</b> <i>Technological</i> <b>The risk that the ICT framework does not meet the organisation's needs.</b> If we do not invest in appropriate technology at the right price, this will hinder our capability to deliver the efficiencies and savings required for the Modernisation priority. The main risk here is around the organisation taking decisions to invest in IT infrastructure that is not effective in reducing overheads. This can happen for two reasons: 1) we don't understand the current and necessary ICT requirements, and 2) we don't accurately predict the anticipated benefits. This risk might also occur as a missed opportunity to capitalise on effective technology, if we unaware of the capability that <u>some technology can bring</u> .	Mohammed Mehmet  <u>Lead Member(s):</u> Cllr Barbara Smith	If we decide to invest in technology that does not sufficiently contribute to our Modernisation agenda, not only are we likely to miss our targets, but we're also going to waste money.	<div style="background-color: red; color: white; width: 20px; height: 20px; margin: 0 auto;">B2</div>	ICT Strategy (developed in conjunction with SLT) agreed. ICT Business Partners work with services to forecast their ICT needs. All decisions for investment taken at Strategic Investment Group. The Programme Office has introduced a Stage Review Group that offers some quality assurance for business cases, prior to their being passed on for approval. IT Steering Group established to meet quarterly. ICT now part of the Business improvement & Modernisation service, and structures will be realigned to provide a more customer-focussed service. Hardware rollout almost complete, and software rollout planned and paid for. There's financial presence on the Modernisation Board, and a financial plan in place for the ICT strategy.	<div style="background-color: orange; color: black; width: 20px; height: 20px; margin: 0 auto;">C2</div>	Telephony strategy to be developed  (Approved) migration to MS Enterprise to be delivered	Alan Smith  Alan Smith	31.03.2015  31.03.2015
	<b>DCC018</b> <i>Professional / Managerial</i> <b>The risk that programme and project benefits are not fully realised.</b> The council currently does consistently deliver all benefits from projects. Some of the issues include: inconsistent management; resistance to change; staff behaviour; and processes not changing as planned. Programmes to be mindful of here include: Economic & Community Ambition, Modernisation, Social Services Modernisation, Modernising Education, Coastal Facilities, and Rhyl Going Forward.	Mohammed Mehmet  <u>Lead Member(s):</u> Cllr Barbara Smith	The forecast changes that were alluded to in business cases do not materialise and, hence, neither do their benefits	<div style="background-color: red; color: white; width: 20px; height: 20px; margin: 0 auto;">B2</div>	Corporate Programme Office established. HR resource identified to support restructures. Business Partners involved in workforce planning have identified a need for Change management training, and resource has been identified to support this. Programme Manager in place for the Modernisation priority (to co-ordinate projects). Establishment of a Modernisation Board, which can track projects and their benefits. Introduction of Verto to record benefit tracking. Change toolkits, together with factsheets, are on the intranet to support managers. HR Business Partners are now allocated to every major change to ensure consistency. Finance remove savings from budgets to ensure financial savings are delivered.	<div style="background-color: red; color: white; width: 20px; height: 20px; margin: 0 auto;">B2</div>	Develop 'Denbighshire Way Change Management guidance' to deal with the staff and management requirements to facilitate change.  Take a proposal to CET regarding a process for managing the delivery of project benefits  Updates from all Boards to go to CET every three months	Linda Atkin  Alan Smith  Mohammed Mehmet

<p>DCC019</p> <p><b>Economic &amp; Financial</b></p> <p>The risk that the availability of the Welsh Government's match-funding contribution towards Band A of the 21st Century Schools programme is not in line with the timescales for Denbighshire's work programme. Projects within the 21st Century Schools Programme are planned throughout the financial year, but rely on match-funding being available from the Welsh Government. If the WG's financial contribution is not received as anticipated, it can affect the timing of each project, which can impact on the overall programme.</p>	<p>Hywyn Williams</p> <p><u>Lead Member(s):</u></p> <p>Cllr Eryl Williams</p>	<p>Delays in delivering the 21st Century Schools Programme.</p>	<p style="text-align: center; background-color: red; color: white;">B2</p>	<p>Regular liaison with WG and Strategic Investment Group to review progress of individual projects and the overall financial management of the longterm programme to identify potential risks in funding profiles. Establishment of a formal programme approach to manage the delivery of the 21st Century Schools programme. Projects over £5m in value are scoped out according to the Welsh Government's five case business model at development stage. Project at £5m or less are scoped out inline with the Welsh Government's business justification case documentation. Modernising Education Programme Board established, to meet monthly in the short term. SRO, Head of Service and Programme Manager have arranged for regular gateway review support from WG's Programme and Projects department (independent from WG's 21st Century Schools team). The recent gateway review - an independent report - was positive. Strategic Outline Case for Rhyl New School, Strategic Outline Case and Outline Business Case for Ysgol Glan Clwyd and the Business Justification Cases for Ysgol Bro Dyfrdwy and Bodnant Community School all approved by Welsh Government.</p>	<p style="text-align: center; background-color: orange;">C2</p>	<p>No further action identified</p>	<p>N/A</p>	<p>N/A</p>
						<p>No further action identified</p>	<p>N/A</p>	<p>N/A</p>
<p>DCC021</p> <p><b>Partnership / Contractual</b></p> <p>The risk that effective partnerships and interfaces between BCU Health Board and Denbighshire County Council (DCC) do not develop. This could leading to significant misalignment between the strategic and operational direction of BCU and DCC</p>	<p>Nicola Stubbins</p> <p><u>Lead Member(s):</u></p> <p>Cllr Bobby Feeley</p>	<ul style="list-style-type: none"> <li>• inefficient services</li> <li>• gaps in service provision</li> <li>• delays/failure to deliver joint projects</li> <li>• reputational damage</li> </ul>	<p style="text-align: center; background-color: red; color: white;">B2</p>	<p>Establishment of a Denbighshire Health and Social Care Board, of which BCU is a member. DCC presence in Key CPG meetings and Regional Boards implementing integrated approaches. New Chief Executive of BCUHB appointed but not yet in post.</p>	<p style="text-align: center; background-color: red; color: white;">B2</p>	<p>Regional meetings between north Wales authorities and BCUHB scheduled</p>	<p>Nicola Stubbins</p>	<p>06-May-14</p>
						<p>No further action identified</p>	<p>N/A</p>	<p>N/A</p>

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**Report To:** Corporate Governance Committee

**Date of Meeting:** 2 July 2014

**Lead Member / Officer:** Barbara Smith, Lead Member for Modernising & Performance

**Report Author:** Ivan Butler, Head of Internal Audit

**Title: Governance Improvement Plan**

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## **1. What is the report about?**

This report provides the Committee with the improvement plan resulting from the review of the Council's governance framework for 2013/14.

## **2. What is the reason for making this report?**

Corporate Governance Committee will monitor the Governance Improvement Plan on a regular basis as part of the Council's overall governance arrangements to make sure that the Council implements the necessary improvements effectively.

## **3. What are the Recommendations?**

Committee considers and comments on the Governance Improvement Plan, requesting any additional assurance it feels necessary on any of the actions within the Plan.

## **4. Report details**

- 4.1 The Council's Corporate Governance Framework includes an annual assessment of the Council's governance arrangements and an 'annual governance statement' that highlights any governance weaknesses.
- 4.2 The Council's Governance Group manages the Corporate Governance Framework process and development of the 'annual governance statement' on an on-going basis during the financial year. This Group consists of:
  - Chair of Corporate Governance Committee
  - Vice-chair of Corporate Governance Committee
  - Head of Legal & Democratic Services
  - Head of Business Improvement & Modernisation
  - Head of Finance & Assets
  - Head of Internal Audit
- 4.3 Appendix 1 shows the Governance Improvement Plan arising from the review of the Council's governance arrangements for 2013/14. At the time of writing this report, some of the proposed improvement actions, responsibilities and

timescales had not been finalised. A verbal update will be provided to the committee on these areas at the committee meeting, as the Plan will have been finalised by that time.

**5. How does the decision contribute to the Corporate Priorities?**

There is no decision required for this report. While the Governance Improvement Plan does not directly contribute to Corporate Priorities, good governance plays a significant role in the Council and its arrangements for delivering corporate objectives. The Corporate Governance Framework includes an assessment of the Council's operational and financial performance, governance arrangements, community engagement etc. that are all directed towards delivering the Corporate Priorities.

**6. What will it cost and how will it affect other services?**

There are no costs attached to this report and the only impact on services is where the Plan identifies improvement areas; however, services will already be aware of these and should be building this into their service planning.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

This report does not require a decision or proposal for change, so there is no impact on people who share protected characteristics.

**8. What consultations have been carried out with Scrutiny and others?**

The Governance Improvement Plan forms part of the 'Delivering good governance and continuous improvement' document that was discussed at:

- Corporate Executive Team on 17 March 2014
- Corporate Governance Committee on 15 April 2014
- Council Briefing on 28 April 2014
- Senior Leadership Team on 1 May 2014
- Corporate Governance Committee on 21 May 2014

It was also distributed to Cabinet members and the Wales Audit Office for comment.

**9. Chief Finance Officer Statement**

There are no financial implications attached to this report.

**10. What risks are there and is there anything we can do to reduce them?**

The main risk attached to this report is non-delivery of the Governance Improvement Plan or specific improvements included within it. This would mean that weaknesses in the Council's governance arrangements are not improved, which could lead to external regulator criticism and impact on the Council's reputation as a well-governed organisation.

## **11. Power to make the Decision**

There is no decision required for this report but there is a requirement under the local Government (Wales) Measure 2011 for the 'audit committee' to oversee the Council's corporate governance arrangements.

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## Appendix 1 – Governance Improvement Action Plan

Improvement Area	Action	Responsibility	Timescale
<b>Significant Governance Issues</b>			
<p>In future, we accept that some services and functions will stop or be transferred to others who may be able to deliver them at lower or no extra cost. We need to review our governance arrangements to take account of this, ensuring that public money is spent wisely and the public continues to receive good services and value for money.</p>	<p>We will be implementing new monitoring arrangements during 2014 to ensure that any third party or arms-length service providers have robust governance arrangements, and will implement scrutiny arrangements to monitor their financial and operational performance.</p> <p>The Head of Internal Audit produced a ‘good practice’ report in May 2014 that CET will discuss in July 2014 to agree the way forward.</p>	<p>Initial review by Head of Internal Audit, which will lead to further action plan for implementation of new arrangements</p>	<p>Preliminary report by 31 May 2014, with further action plan for implementation of new arrangements to be agreed</p>

Improvement Area	Action	Responsibility	Timescale
<p>Our Internal Audit provided a critical report on the procurement of construction services that highlighted several weaknesses, including that our procurement strategy is out of date. Internal Audit's recent follow up of the improvement action plan shows that, although we have developed a new draft strategy and Contract Procedure Rules, progress with improvement is slow and behind schedule.</p> <p>Also in procurement, we are involved in the development of some key projects but the creation of the National Procurement Service has also added to the complexity of procurement arrangements and led to a loss of staff to the new organisation, with potential further staffing losses.</p> <p>We are aware that we are entering a critical period in relation to strategic procurement and the major changes that we are making; therefore, we will need to keep this area under regular review to ensure that the identified improvements are implemented and that the strategic programmes of change are successfully delivered.</p>	<p>There is a separate action plan for dealing with the issues raised in the Internal Audit report.</p> <p>Response requested from Head of Finance &amp; Assets</p>		

Improvement Area	Action	Responsibility	Timescale
<b>Partnership Governance</b>			
<p>We are aware that not all partnerships use the toolkit, so, as part of a comprehensive review of the partnership landscape, we will need to review the guidance to ensure that it is user-friendly and effective. This review will also provide a greater knowledge and understanding of partnership activity and develop a better corporate understanding of the challenges of operational partnerships.</p>	Practice-based review of governance toolkit	Head of Business Improvement & Modernisation	Oct 2014
<p>Our partnership governance toolkit provides guidance on defining each partner's role in the partnership, line management responsibilities for staff supporting the partnership and legal status but does not provide clear guidance on the roles of partnership board members. We have already identified the need to review this guidance, as we are aware that it is not always used by partnerships.</p>	Practice-based review of governance Toolkit	Head of Business Improvement & Modernisation	Oct 2014
<b>Constitution</b>			
<p>The Council's main governance guidance is provided in our comprehensive Constitution that clearly sets out respective roles and responsibilities of elected members and officers, particularly relating to governance, although it needs to be updated to take account of changed role titles and elected member portfolios.</p>	<p>A new Model Constitution has been developed for Wales. The Council's current Constitution will be reviewed in light of the new model and updated to reflect changed job titles and portfolios.</p>	Head of Legal & Democratic Services	<p>Constitution working group to meet by September 2014, with further reports to Corporate Governance Committee and Council. New model to be adopted by 31 December 2014</p>

Improvement Area	Action	Responsibility	Timescale
Our codes of conduct for elected members and employees form part of induction training, although we need to ensure that we have arrangements in place to ensure that we regularly raise awareness of these codes.	Elected members have been provided with several training sessions on the Code of Conduct and refresher sessions are made available each year. A strategy for maintaining awareness among employees will be developed.	Head of Legal & Democratic Services	Refresher sessions for elected members will be provided before March 2015. An awareness raising strategy for employees will be implemented by March 2015
<b>Equalities</b>			
We are continuing our work to improve awareness of equalities issues. But Internal Audit's staff survey found that there is still work to do to improve awareness of corporate equalities arrangements.	The Corporate Equalities Group will discuss the Internal Audit report at its July 2014 meeting. At the same meeting, the Group will consider for approval a new e-learning training module on equalities issues. Following approval, this new module will be rolled out.	Head of Business Improvement & Modernisation	Autumn 2014
Equality Impact Assessments are now mainstreamed into our decision-making process, but we still need to improve the quality of some of these assessments and will be introducing a quality assurance process during 2014.	The Head of Internal Audit will carry out a quality control review of a sample of Equality Impact Assessments during 2014/15 and feed back to Heads of Service to improve the quality of future Assessments.	Head of Internal Audit	Commencing September 2014
<b>Policy Framework</b>			
We have an anti-fraud and corruption policy, although we have not reviewed and updated this since 2006.	This policy has been reviewed and a new draft policy will be presented to Corporate Governance Committee	Head of Legal & Democratic Services	November 2015



Improvement Area	Action	Responsibility	Timescale
Our environmental policy is out of date and we do not have a formal corporate approach to environmental management that would help to demonstrate our values and ethics by committing to ensuring that we help to maintain, enhance and use natural resources sustainably now and in the future.	There are currently no plans to revisit our existing policies; however, sustainability is now a core principle in our community planning and is reflected in Denbighshire's draft Well-being Plan, due for publication in November 2014.	Head of Business Improvement & Modernisation	Nov 2014
<b>Regulations &amp; Standards</b>			
We have an independent and objective internal audit service providing assurance across the whole range of DCC's services, including partnerships. The service has not yet carried out the required self-assessment review to ensure that it complies with the new Public Sector Internal Audit Standards but plans to do this early in 2014/15.	Self-assessment review against Public Sector Internal Audit Standards and report outcome to Corporate Governance Committee	Head of Internal Audit	Review complete by 30 September 2014 and reported to next available committee meeting

Improvement Area	Action	Responsibility	Timescale
<p>We have made significant improvements in information governance during the year; however, we recognise that we still have a lot of work to do but have identified this in our Information Management Strategy, for example:</p> <ul style="list-style-type: none"> <li>• develop e-learning modules for several areas of training;</li> <li>• improve the policy framework in areas such as email, records management and information security;</li> <li>• digitise catalogues and collections in our archives;</li> <li>• enhance our Publication Scheme and Disclosure Logs;</li> <li>• revise and embed the corporate retention schedule; and</li> <li>• achieve PSN accreditation for 2014.</li> </ul>	<p>We will continue to implement the Information Strategy</p> <p>E-learning on data protection is now in place</p> <p>Other actions on-going</p>	<p>Head of Business Improvement &amp; Modernisation</p>	<p>Roll out to be completed September 2014</p>
<b>Elected Members</b>			
<p>Our performance management framework for Cabinet and individual Lead Members assesses their performance and helps to address improvement needs; however, we need to assess how well this works in practice and whether it is leading to improvement.</p>	<p>Head of Internal Audit to discuss an approach to this with the Leader</p>	<p>Head of Internal Audit/Leader</p>	<p>31 July 2014</p>
<p>Scrutiny Committees produce annual reports on their work to County Council but the Corporate Governance Committee's self-assessment highlighted that it had not formed part of this performance monitoring arrangement in recent years.</p>	<p>Head of Internal Audit to work with Chair of Corporate Governance Committee to produce report on the Corporate Governance Committee's performance and effectiveness for 2013-14</p>	<p>Head of Internal Audit/Chair Corporate Governance Committee</p>	<p>Draft report by 31 July 2014</p>

Improvement Area	Action	Responsibility	Timescale
<b>Stakeholder Engagement</b>			
<p>Our latest resident survey highlighted that most people do not feel well-informed about the Council's performance and a range of other issues asked in the survey.</p>	<p>We will continue to publish user-friendly performance information on the Council's website.</p> <p>The Council's Corporate Communications Strategy Year 2 Action Plan includes various actions that will improve communication with residents to raise more awareness. This Strategy forms part of the team's service plan for 2014/15.</p>	<p>Head of Business Improvement &amp; Modernisation</p> <p>Various</p>	<p>On-going</p> <p>Various timescales but Strategy to be implemented fully by 31 March 2015</p>
<p>The value of effective business engagement is only just being recognised, which means that we have a lot more work to do before we see the benefits that result from recent developments. We need to ensure that effective opportunities exist for businesses to provide feedback on the delivery of the Economic and Community Ambition Strategy / Programme and identify what we need to do to make engagement with the Council a valuable activity for businesses. In the longer term, as key stakeholders in the delivery of the overall vision for our economy, we need to increase business participation in making decisions about how we plan and invest Council budgets and resources for greatest economic effect.</p>	<p><b>Response requested from Head of Housing &amp; Community Development</b></p>		

Improvement Area	Action	Responsibility	Timescale
<p>Our Strategic HR service is working on a major programme to improve its performance since being identified as a significant governance issue in last year's Annual Governance Statement. The service has also reported its progress on implementing improvements arising from an adverse Internal Audit report to the Corporate Governance Committee. There are still concerns over the delivery of the improvement programme.</p>	<p>Internal Audit review to assess progress with improvement. Report to Corporate Governance Committee on outcome of review.</p>	<p>Head of Internal Audit</p>	<p>Review complete by 30 June 2014 and reported to next available committee</p>

**Report To:** Corporate Governance Committee

**Date of Meeting:** 2 July 2014

**Lead Member / Officer:** Julian Thompson-Hill, Leader Member for Finance & Assets

**Report Author:** Ivan Butler, Head of Internal Audit

**Title:** Internal Audit Follow-up – Blessed Edward Jones School

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## **1. What is the report about?**

This report provides the Committee with details of Internal Audit's follow up work at Blessed Edward Jones School following its initial report in October 2013.

## **2. What is the reason for making this report?**

Corporate Governance Committee requested that Internal Audit's follow up report for Blessed Edward Jones School be presented to the Committee to provide assurance that improvements have been made at the School.

## **3. What are the Recommendations?**

Committee considers and comments on the Internal Audit follow-up report.

## **4. Report details**

Internal Audit issued a report on Blessed Edward Jones School in October 2013 that, despite giving a 'medium' assurance rating, included an action plan with 13 areas for improvement. Corporate Governance Committee was particularly concerned that the School should address its financial pressures and requested that Internal Audit's follow up report be presented to the Committee.

Internal Audit's follow up report (attached) shows that the School has made significant improvements since the original audit report. Many of the issues raised have now been addressed, although some deadlines were missed. However, the School has yet to fully develop its financial recovery plan. It has produced three-year projections and worked to reduce the forecast deficit but will still have a deficit in March 2015. The Council has robust procedures in place to manage such situations and the School has requested permission to have a licensed deficit and will then develop a financial recovery plan

## **5. How does the decision contribute to the Corporate Priorities?**

There is no decision required for this report.

**6. What will it cost and how will it affect other services?**

There are no costs attached to this report.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

This report does not require a decision or proposal for change, so there is no impact on people who share protected characteristics.

**8. What consultations have been carried out with Scrutiny and others?**

Not applicable – information report only

**9. Chief Finance Officer Statement**

Not applicable – information report only

**10. What risks are there and is there anything we can do to reduce them?**

Not applicable – information report only

**11. Power to make the Decision**

Not applicable – information report only

**Denbighshire Internal Audit Services**  
Caledfryn, Smithfield Road, Denbigh LL16 3RJ

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# Internal Audit Follow Up

## Blessed Edward Jones – First Follow Up

June 2014



**Samantha Davies**                      01824706982  
samantha.davies@denbighshire.gov.uk

**Ivan Butler CMIIA, MBA, Head of Internal Audit Services**

## Purpose & Scope of Review

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We issued our Internal Audit report in October 2013 giving a medium assurance rating and raising 13 moderate issues.

We have now followed up the action plan included with our report to assess progress with implementing the agreed improvements.

## Audit Opinion





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While there has considerable progress in implementing the action plan, there are still some issues to be addressed and some target dates have been missed. Although the School has addressed elements of the issue/risks that we identified in our original review, in some cases these have not addressed over-arching issue/risks as yet.

In particular, the Council's Corporate Governance Committee has expressed a wish to view the School's financial recovery plan, but this has not yet been fully developed.

As there are still some issues outstanding, our assurance rating remains as 'medium'. We will carry out a further follow up visit in July 2014 to assess progress.

### Assurance Rating (Based on areas reviewed)

	High Assurance	Risks and controls well managed
	Medium Assurance	Risks identified but are containable at service level
	Low Assurance	Risks identified that require meeting with Corporate Director/Lead Member
	No Assurance	Significant risks identified that require member / officer case conference



## Action Plan Progress

**Audit Review of:** Blessed Edward Jones –First Follow up

**Date:** June 2014

**Action Plan Owner:** Head Teacher

### Corporate Risk/Issue Severity Key

	<b>Critical</b> – Significant CET and Cabinet intervention
	<b>Major</b> – intervention by SLT and/or CET with Cabinet involvement
	<b>Moderate</b> – Containable at service level. Senior management and SLT may need to be kept informed

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
1.	The composition of the Governing Body is incomplete as there is a vacancy for a LEA governor and also a vacancy for the clerk to the governors.	Propose to advertise externally for a Clerk to the Governors. Job description & person specification being prepared. <b>Business &amp; Finance Manager – Jan 2014</b>	<b>Complete</b> New Clerk to Governors appointed 3 March 2014. List of training dates made available to her and training to be undertaken as soon as possible.	
		Chair of Governors aware of the vacancy and approach to be made to prospective governor <b>Chair of Governors – Feb 2014</b>	<b>Not complete – overdue</b> Chair of Governors has been ill so no action taken to date.	New Clerk made aware of the vacant position and will take forward with Deputy Chair in next few weeks.
2.	Not all governors have been checked by the Disclosure and Barring Service (DBS) and other qualification/disqualification checks, including Bankruptcy and Company Directors Disqualifications need to be completed for all governors.	DBS packs requested again for three new governors 4 December 2013 <b>Personal Assistant to Head teacher – Jan 2014</b>	<b>Complete</b> Final DBS response received from Governor on 3 June 2014 and sent to HR Direct to update records.	
		Other checks to be investigated and undertaken for all governors when new Clerk is appointed. <b>New Clerk to the Governors – Feb 2014</b>	<b>Not complete</b>	New Clerk to review existing records and arrange for other checks to be investigated and completed. Further update June 2014 prior to next Governors meeting.

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
3.	Not all members of staff who can influence financial decisions have completed declaration of business interest forms.	Review of declaration of business interest forms to be undertaken and omissions completed.  <b>Personal Assistant to Head Teacher – Jan 2014</b>	<b>Complete</b> Declaration of Business interest for Business & Finance Manager now completed.	
4.	Governing Body minutes need to be improved in the following areas:			
	<ul style="list-style-type: none"> <li>They do not include who is to complete actions and by when.</li> </ul>	New Clerk to receive training to ensure actions agreed in meetings are allocated to members with estimated time for completion.  <b>New Clerk to the Governors – asap after appointment by Feb 2014</b>	<b>In progress – Overdue</b> Training for new Clerk arranged for 9 June 2014.	
	<ul style="list-style-type: none"> <li>They lack evidence to show the Governing Body acting as a critical friend.</li> </ul>	New Clerk to receive training to ensure that discussions which evidence Governing Body acting as critical friend are documented correctly.  <b>New Clerk to the Governors – asap after appointment by Feb 2014</b>	<b>Complete</b> Discussion with new Clerk on 9 April 2014 regarding requirement to evidence in the minutes where Governors have questioned, queried and challenged proposed actions to evidence their role as ‘critical friend’.	Future minutes will include evidence of role as ‘critical friend’.
	<ul style="list-style-type: none"> <li>They do not show that the Governing Body discusses and agrees all action.</li> </ul>	Minutes template to be revised to include update/ review of actions from previous meetings  <b>New Clerk to the Governors – asap after appointment by Feb 2014</b>	<b>Complete</b> New template in place for recording of minutes.	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	<ul style="list-style-type: none"> <li>Some minutes were missing</li> </ul>	Review of minutes for last 12 months to be undertaken by new Clerk when in post and copies taken for the minutes file  <b>New Clerk to the Governors - asap after appointment by Feb 2014</b>	<b>Complete</b> Review completed and all copies held in minutes file.	
	<ul style="list-style-type: none"> <li>The Chair had not signed most sets of minutes that we saw.</li> </ul>	When new Clerk appointed, all minutes will be reviewed to ensure that they are all signed by the Chair.  <b>New Clerk to the Governors - asap after appointment by Feb 2014</b>	<b>Complete</b> All minutes now signed. Clerk to Governors aware of need to complete this task for each set of minutes in future.	
5.	The financial management document is out of date and does not agree with the current committee list. There is also no reference to health and safety in the terms of reference for the H&S and Resources Committee.	Governance of Financial Management Policy to be reviewed and amended in line with recent personnel/ process changes. <b>Business &amp; Finance Manager/ Finance Committee - May 2014</b>	<b>Complete</b> Policy reviewed and amended by Business & Finance Manager with reference to 'Keeping Your Balance' guidance. Policy to be submitted to full Governing Body for approval at July meeting.	
		Terms of Reference for H & S and Resources Committee to be revised for consideration at next meeting. <b>New Clerk/ Finance committee - May 2014</b>	<b>Complete</b> Terms of reference for H&S and Resources Committee reviewed by Clerk and will be submitted to full Governing Body for approval at July meeting.	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
6.	The School needs a robust financial recovery plan to significantly reduce its budget deficit and prevent removal of its delegated powers.	Budget figures for 2014/15 awaited, together with projections for next two years. Upon receipt, revised three-year projections to be prepared. <b>Business &amp; Finance Manager - Jan 2014</b>	<b>In progress - overdue</b> Three-year projections for 2014-17 currently being finalised. Deficit reduced from £414K to £250K in 2013. Further reduction of £146K forecast for 2014 but budget will still be in deficit at end March 2015. Email sent to Education Planning & Resource Manager on 9 April 2014 requesting licensed deficit.	Complete three-year projections and develop recovery plan
		Full restructure of teaching and support staff to be undertaken starting in January 2014 to remodel workforce requirements. <b>Head Teacher/ Business &amp; Finance Manager/ Governing Body - May 2014</b>	<b>Complete</b> Redundancy process for 2014-15 completed with the loss of one Admin support member. Other staffing reductions achieved through resignations and request for flexible working.	
		Close monitoring of expenditure to continue with monthly finance reviews between Head teacher & Business & Finance Manager <b>Head Teacher/ Business &amp; Finance Manager - on-going</b>	<b>Complete</b> Monthly reviews with Headteacher now in place.	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
7.	The number of stand-alone invoices that the School processes is too high, increasing the risk of unauthorised purchases and making budgetary control more difficult.	<p>List of annualised expenditure in key areas, e.g. supply, general maintenance, etc. being compiled to identify areas for improvement</p> <p><b>Finance &amp; Administration Officer/ Business &amp; Finance Manager - on-going to Mar 2014</b></p>	<p><b>Complete</b> Purchase orders raised for annualised contracts e.g. photocopier rental, subscriptions, etc. New member of staff to take responsibility for this process from September 2014 due to redundancy of existing post holder. Proactis training arranged for 23 June with on-going monitoring and coaching to continue to reduce standalone invoices to a minimum. Only exception will be for invoices from supply agencies for daily supply which will continue to be keyed as standalone invoices as per discussion with the Proactis team.</p>	
		<p>Purchase orders to be raised in April 2014 for all areas identified above so that invoices received can be matched upon receipt.</p> <p><b>Finance &amp; Administration Officer/ Business &amp; Finance Manager - Apr 2014</b></p>	<p><b>Completed</b> See above</p>	
		<p>All employees to be reminded to follow authorisation process for all planned expenditure.</p> <p><b>Head Teacher - Feb 2014</b></p>	<p><b>Complete</b> Members of staff advised via SIMS bulletin each month and details of process available in the staff room for reference purposes.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		Data to be obtained from Proactis team to monitor % improvement during the year. <b>Business &amp; Finance Manager – December 2013 (ongoing data collection)</b>	<b>In progress – on-going action</b> Initial report obtained to act as baseline data.	Termly review to be undertaken by Business & Finance Manager from April onwards.
8.	Invoices are not always paid promptly, increasing the risk of suppliers claiming interest for late payment.	System to be set up by Business & Finance Manager/Finance Officer to chase progress of purchase orders on a weekly basis to ensure that invoices are received and paid within terms of credit agreement <b>Business &amp; Finance Manager / Finance &amp; Administration Officer – Mar 2014</b>	<b>Complete</b> New system introduced for all Proactis orders keyed after 1 April, 2014. Orders to be filed separately until goods have been received and fully invoiced. Outstanding orders reviewed on a weekly basis with non-receipt of items and/or invoice to be chased, with all contact being documented for audit purposes. Process will be monitored at regular intervals by the Business & Finance Manager.	
9.	There are some security and access issues that the School needs to address:			
	<ul style="list-style-type: none"> <li>Pupils are gaining access through an exit only route.</li> </ul>	Reception staff to be advised not to allow pupil access to the admin corridor without checking that members of staff are available. <b>Business &amp; Finance Manager – Dec 2013</b>	<b>Complete</b> Reception staff have been advised not to allow pupils access to the admin corridor, as stated. Regular reminder emailed to staff by Business & Finance Manager.	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
Page 103	<ul style="list-style-type: none"> <li>Reception staff allow pupils access to the administration corridor through a fob-controlled door without checking whether there is someone there to meet them. This allows pupils access to unlocked offices.</li> </ul>	<p>Members of staff occupying offices along the administration corridor issued with keys for their offices. All members of staff advised that offices should be locked when empty.</p> <p><b>Business &amp; Finance Manager - Dec 2013</b></p>	<p><b>Complete</b> Members of staff advised to lock the admin office and examinations office when empty. Improvements have been made since the Internal Audit visit. Reminder memo to be sent to members of staff each month. Business &amp; Finance Manager will deal with future breaches as and when they occur. Monthly reminder added to 'To Do' list within Lotus Notes.</p>	
	<ul style="list-style-type: none"> <li>Fob keys are not reconciled, so members of staff no longer working at the School may still have access.</li> </ul>	<p>Caretaker to complete audit of fobs each term, making adjustments as and when required. Records to be maintained as evidence</p> <p><b>Caretaker - From Jan 2014</b></p>	<p><b>Complete</b> Caretaker has diary entry to review at end of every half-term and remove staff leavers.</p>	
	<ul style="list-style-type: none"> <li>It would be beneficial to carry out a risk-assessment of the Reception area, where there is no CCTV, panic alarms and limited exits</li> </ul>	<p>Risk assessment of the Reception area to be completed as advised</p>	<p><b>Not yet completed</b></p>	<p>Risk assessment of the Reception area to be completed</p>
10.	<p>Members of staff do not have any formal guidance on lone working, which is needed for robust health and safety management.</p>	<p>Lone working policy to be developed using DCC guidance and made available to all staff. Hardcopy to be issued to key holders (Caretakers/ Head teacher/ Business &amp; Finance Manager)</p> <p><b>Business &amp; Finance Manager - Feb 2014</b></p>	<p><b>Not complete- overdue</b> No action taken to date.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
11.	The School's CCTV in the 'Inclusion' Room may be breaching Data Protection requirements relating to overwriting and retention of data.	Review of School's CCTV usage and data retention requirements to be undertaken. Data Protection guidance to be reviewed and CCTV policy to be prepared for Governing Body approval.  <b>Business &amp; Finance Manager / Governing Body - Mar 2014</b>	<b>In progress - overdue</b> CCTV guidance obtained from ICO website but policy not yet written.	Develop guidance on CCTV usage for Governing Body approval.
12.	Computers are not always locked when members of staff leave them unattended, increasing the risk of unauthorised access and data security breaches	All members of staff to be reminded, monthly, to lock computers when they are left unattended.  <b>Personal Assistant to Head Teacher/Head Teacher - Jan 2014</b>	<b>Complete</b> Monthly reminder to be circulated via SIMS Bulletin to members of staff from May 2014.	
13.	The School's admissions policy does not fully comply with the Welsh Admissions Code 2013, as there are some areas of the Code that are missing from the admissions policy.	Admissions policy to be reviewed in consultation with the Welsh Admissions Code 2013 and amended as required.  <b>Admissions Committee / New Clerk to the Governors - Mar 2014</b>	<b>Complete</b> Amendments to policy and application form to be submitted to Governors at July meeting for approval	



## Report Recipients

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- Head teacher
- Chair of Governors
- Finance & Business Manager
- Corporate Director: Customers
- Head of Education
- Head of Customers and Education Support
- Business & Performance Manager
- School Effectiveness Performance Officers
- Education Planning and Resource Manager
- Complaints & Investigations Officer
- Business Support Officer
- Strategic Procurement Manager
- Lead Member for Education
- Chair of Performance Scrutiny Committee
- Performance Scrutiny Member
- Lead Member for Finance and Assets
- Corporate Governance Committee
- Ward Members

## Key Dates

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Review commenced	April 2014
Review completed	April 2014
Reported to Corporate Governance Committee	3 July 2014
Proposed date for next follow up review	July 2014

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## Corporate Governance Committee Forward Work Programme

<b>3 Sept 2014</b>		<b>Standing Items</b>		
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans	
	2	Recent External Regulatory Reports Received	Corporate Improvement, Alan Smith / Craig Berry Cllr Barbara Smith	
	3	Internal Audit Progress Report	Head of Internal Audit, Ivan Butler / Cllr Julian Thompson-Hill	
	4	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans	
	5	Forward Work Programme		
		<b>Reports</b>		
	6	Corporate Governance Committee Annual Report	Chair / Councillor J. McLellan	
	7	Budget Process 2015/16	Head of Finance & Assets, Paul McGrady	
	8	Treasury Management Annual Report 1 2014/15	Head of Finance & Assets, Paul McGrady	
	9	Procurement of Construction Services - Update	Head of Internal Audit, Ivan Butler	
	10	Report on Arm's Length Companies	Head of Internal Audit, Ivan Butler	
	11	Financial Payment to Care Leavers - Update	Head of Internal Audit, Ivan Butler	
	12	Strategic Human Resources Internal Audit Report - Update	Head of Internal Audit, Ivan Butler	
	13	Reports of Complaints Received	Head of Customers & Education Support / J. Walley	
	14	Annual Review of Operation of Complaints Process	Head of Customers & Education Support / J. Walley	

## Corporate Governance Committee Forward Work Programme

<b>29 Sept 2014</b>		<b>Standing Items</b>		
		<b>Reports</b>		
	1	Approval of the Statement of Accounts 2013/14	Head of Finance & Assets, Paul McGrady / Councillor J. Thompson-Hill	
	2	Wales Audit Office Improvement Assessment Letter	Head of Finance & Assets, Paul McGrady / Councillor J. Thompson-Hill	
	3	Governance Improvement Plan	Head of Internal Audit, Ivan Butler	
<b>5 Nov 2014</b>		<b>Standing Items</b>		
Page 108	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans	
	2	Recent External Regulatory Reports Received	Corporate Improvement, Alan Smith / Craig Berry Cllr Barbara Smith	
	3	Internal Audit Progress Report	Head of Internal Audit, Ivan Butler / Cllr Julian Thompson-Hill	
	4	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans	
	5	Forward Work Programme		
		<b>Reports</b>		
	6	Budget Process 2015/16	Head of Finance & Assets, Paul McGrady	
	7	Staff Survey Issues	Head Internal Audit, Ivan Butler	
<b>17 Dec 2014</b>		<b>Standing Items</b>		
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian	

## Corporate Governance Committee Forward Work Programme

			Evans	
	2	Recent External Regulatory Reports Received	Corporate Improvement, Alan Smith / Craig Berry Cllr Barbara Smith	
	3	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans	
	4	Forward Work Programme		
		<b>Reports</b>		
	5	Budget Process 2015/16	Head of Finance & Assets, Paul McGrady	
	6	Governance Improvement Plan	Head of Internal Audit, Ivan Butler	
29 Jan 2015		<b>Standing Items</b>		
Page 109	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans	
	2	Recent External Regulatory Reports Received	Corporate Improvement, Alan Smith / Craig Berry Cllr Barbara Smith	
	3	Internal Audit Progress Report	Head of Internal Audit Services, Ivan Butler / Cllr Julian Thompson-Hill	
	4	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans	
	5	Forward Work Programme		
		<b>Reports</b>		
	6	Budget Process 2015/16	Head of Finance & Assets, Paul McGrady	
	7	Treasury Management Strategy Statement and Prudential Indicators 2015/16	Head of Finance & Assets, Paul McGrady	

## Corporate Governance Committee Forward Work Programme

	8	Treasury Management Annual Report 2014/15	Head of Finance & Assets, Paul McGrady	
	9	Corporate Risk Register Review	Head of Business, Improvement and Moderisation, Alan Smith / Nicola Kneale	
<b>25 March 2015</b>		<b>Standing Items</b>		
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans	
Page 110	2	Recent External Regulatory Reports Received	Corporate Improvement, Alan Smith / Craig Berry Cllr Barbara Smith	
	3	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans	
	4	Forward Work Programme		
		<b>Reports</b>		
	5	Budget Process 2015/16	Head of Finance & Assets, Paul McGrady	
	6	Governance Improvement Plan	Head of Internal Audit, Ivan Butler	
	7	Internal Audit Strategy	Head of Internal Audit, Ivan Butler	
	8	Reports of Complaints Received	Head of Customers & Education Support / J. Walley	
<b>20 May 2015</b>		<b>Standing Items</b>		
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans	
	2	Recent External Regulatory Reports Received	Corporate Improvement, Alan Smith / Craig Berry	

## Corporate Governance Committee Forward Work Programme

			Cllr Barbara Smith	
	3	Internal Audit Progress Report	Head of Internal Audit, Ivan Butler / Cllr Julian Thompson-Hill	
	4	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans	
	5	Forward Work Programme		
		<b>Reports</b>		
	6	Budget Process 2015/16	Head of Finance & Assets, Paul McGrady	

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The exact date of publication of occasional reports by for example Wales Audit Office or Annual Reports by the Ombudsman are not presently known. They will be assigned a meeting date as soon as practicable.

Revised 22/05/2014 CIW

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